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Prepared By _____

Approved By _____

An act to amend Sections 1240.3, 2558.46, 8201, 8208, 8263.1, 8263.4, 8264.8, 8354, 8499, 14041.5, 14041.6, 17070.766, 17463.7, 17584.1, 17587, 33128.3, 41203.1, 42238.146, 42605, 42606, 46201.2, 52124.3, 60200.7, 69766, 69766.1, 76300, 84043, 84321.6, 84501, and 84750.5 of, to amend and renumber Section 60422.1 of, and to add Sections 8357.5 and 8499.8 to, the Education Code, to amend Section 11323.2 of the Welfare and Institutions Code, and to amend Items 6110-161-0001, 6110-485, and 6110-488 of Section 2.00 of the Budget Act of 2010 (Chapter 712 of the Statutes of 2010), relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1240.3 of the Education Code is amended to read:

1240.3. (a) For the purposes of Section 1240, for the 2008–09 to ~~2012–13~~ 2014–15 fiscal years, inclusive, sufficient textbooks or instructional materials include standards-aligned textbooks or instructional materials, or both, that were adopted prior to July 1, 2008, by the state board or local educational agency pursuant to statute, unless those local educational agencies purchased or arranged to purchase textbooks or instructional materials adopted by the state board after that date. It is the intent of the Legislature that each local educational agency provide each pupil with standards-aligned textbooks or instructional materials from the same adoption, consistent with Sections 60119 and 60422. This section does not require a local educational agency to purchase all of the instructional materials included in an adoption if the materials that are purchased are made available to all the pupils for whom they are intended in all of the schools within the local educational agency.

(b) Notwithstanding Section 1240 or any other law, for the 2008–09 to ~~2012–13~~ 2014–15 fiscal years, inclusive, a county superintendent of schools, in making visits to schools as specified in Section 1240, shall determine the status of sufficient textbooks as defined in subdivision (a).

(c) This section shall become inoperative on July 1, ~~2013~~ 2015, and, as of January 1, ~~2014~~ 2016, is repealed, unless a later enacted statute that is enacted before January 1, ~~2014~~ 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 2558.46 of the Education Code is amended to read:

2558.46. (a) (1) For the 2003–04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.195 percent deficit factor.

(2) For the 2004–05 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003–04 and 2004–05 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced further by a 1.826 percent deficit factor.

(4) For the 2005–06 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced further by a 0.898 percent deficit factor.

(5) For the 2008–09 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 7.839 percent deficit factor.

(6) For the 2009–10 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by an 18.621 percent deficit factor.

(7) For the 2010–11 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by an 18.250 percent deficit factor.

(8) For the 2011–12 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 19.892 percent deficit factor.

(9) For the 2012–13 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 19.892 percent deficit factor.

(b) In computing the revenue limit for each county superintendent of schools for the 2006–07 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003–04, 2004–05, and 2005–06 fiscal years without being reduced by the deficit factors specified in subdivision (a).

~~(c) In computing the revenue limit for each county superintendent of schools for the 2010–11 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2009–10 fiscal year without being reduced by the deficit factors specified in subdivision (a).~~

~~(d) In computing the revenue limit for each county superintendent of schools for the 2011–12 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2010–11 fiscal year without being reduced by the deficit factors specified in subdivision (a).~~

SEC. 3. Section 8201 of the Education Code is amended to read:

8201. The purpose of this chapter is as follows:

(a) To provide a comprehensive, coordinated, and cost-effective system of child care and development services for children ~~to age 13~~ who are 10 years of age or younger and their parents, including a full range of supervision, health, and support services through full- and part-time programs.

(b) To encourage community-level coordination in support of child care and development services.

(c) To provide an environment that is healthy and nurturing for all children in child care and development programs.

(d) To provide the opportunity for positive parenting to take place through understanding of human growth and development.

(e) To reduce strain between parent and child in order to prevent abuse, neglect, or exploitation.

(f) To enhance the cognitive development of children, with particular emphasis upon those children who require special assistance, including bilingual capabilities to attain their full potential.

(g) To establish a framework for the expansion of child care and development services.

(h) To empower and encourage parents and families of children who require child care services to take responsibility to review the safety of the child care program or facility and to evaluate the ability of the program or facility to meet the needs of the child.

SEC. 4. Section 8208 of the Education Code is amended to read:

8208. As used in this chapter:

(a) “Alternative payments” includes payments that are made by one child care agency to another agency or child care provider for the provision of child care and development services, and payments that are made by an agency to a parent for the parent’s purchase of child care and development services.

(b) “Alternative payment program” means a local government agency or nonprofit organization that has contracted with the department pursuant to Section 8220.2 to provide alternative payments and to provide support services to parents and providers.

(c) “Applicant or contracting agency” means a school district, community college district, college or university, county superintendent of schools, county, city, public agency, private nontax-exempt agency, private tax-exempt agency, or other entity that is authorized to establish, maintain, or operate services pursuant to this chapter. Private agencies and parent cooperatives, duly licensed by law, shall receive the same consideration as any other authorized entity with no loss of parental decisionmaking prerogatives as consistent with the provisions of this chapter.

(d) “Assigned reimbursement rate” is that rate established by the contract with the agency and is derived by dividing the total dollar amount of the contract by the minimum child day of average daily enrollment level of service required.

(e) “Attendance” means the number of children present at a child care and development facility. “Attendance,” for the purposes of reimbursement, includes excused absences by children because of illness, quarantine, illness or quarantine of their parent, family emergency, or to spend time with a parent or other relative as required by a court of law or that is clearly in the best interest of the child.

(f) “Capital outlay” means the amount paid for the renovation and repair of child care and development facilities to comply with state and local health and safety standards, and the amount paid for the state purchase of relocatable child care and development facilities for lease to qualifying contracting agencies.

(g) “Caregiver” means a person who provides direct care, supervision, and guidance to children in a child care and development facility.

(h) “Child care and development facility” means any residence or building or part thereof in which child care and development services are provided.

(i) “Child care and development programs” means those programs that offer a full range of services for children ~~from infancy to 13~~ who are 10 years of age or younger for any part of a day, by a public or private agency, in centers and family child care homes. These programs include, but are not limited to, all of the following:

- (1) General child care and development.
- (2) Migrant child care and development.
- (3) Child care provided by the California School Age Families Education Program (Article 7.1 (commencing with Section 54740) of Chapter 9 of Part 29 of Division 4 of Title 2).
- (4) California state preschool program.
- (5) Resource and referral.
- (6) Child care and development services for children with exceptional needs.
- (7) Family child care home education network.
- (8) Alternative payment.
- (9) Schoolage community child care.

(j) “Child care and development services” means those services designed to meet a wide variety of needs of children and their families, while their parents or guardians are working, in training, seeking employment, incapacitated, or in need of respite. These services may include direct care and supervision, instructional activities, resource and referral programs, and alternative payment arrangements.

(k) “Children at risk of abuse, neglect, or exploitation” means children who are so identified in a written referral from a legal, medical, or social service agency, or emergency shelter.

(l) “Children with exceptional needs” means either of the following:

(1) Infants and toddlers under three years of age who have been determined to be eligible for early intervention services pursuant to the California Early Intervention Services Act (Title 14 (commencing with Section 95000) of the Government Code) and its implementing regulations. These children include an infant or toddler with a developmental delay or established risk condition, or who is at high risk of having a substantial developmental disability, as defined in subdivision (a) of Section 95014 of the Government Code. These children shall have active individualized family service plans, shall be receiving early intervention services, and shall be children who require the special attention of adults in a child care setting.

(2) Children ages 3 to 21 years, inclusive, who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000) of Division 4 of Title 2, and who meet eligibility criteria described in Section 56026 and ~~Sections 56333 to 56338, inclusive~~ Article 2.5

(commencing with Section 56333) of Chapter 4 of Part 30 of Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the California Code of Regulations. These children shall have an active individualized education program, shall be receiving early intervention services or appropriate special education and related services, and shall be children who require the special attention of adults in a child care setting. These children include children with mental retardation, hearing impairments (including deafness), speech or language impairments, visual impairments (including blindness), serious emotional disturbance (also referred to as emotional disturbance), orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities, who need special education and related services consistent with Section 1401(3)(A) of Title 20 of the United States Code.

(m) “Closedown costs” means reimbursements for all approved activities associated with the closing of operations at the end of each growing season for migrant child development programs only.

(n) “Cost” includes, but is not limited to, expenditures that are related to the operation of child care and development programs. “Cost” may include a reasonable amount for state and local contributions to employee benefits, including approved retirement programs, agency administration, and any other reasonable program operational costs. “Cost” may also include amounts for licensable facilities in the community served by the program, including lease payments or depreciation, downpayments, and payments of principal and interest on loans incurred to acquire, rehabilitate, or construct licensable facilities, but these costs shall not exceed fair market rents existing in the community in which the facility is located. “Reasonable and

necessary costs” are costs that, in nature and amount, do not exceed what an ordinary prudent person would incur in the conduct of a competitive business.

(o) “Elementary school,” as contained in former Section 425 of Title 20 of the United States Code (the National Defense Education Act of 1958, Public Law 85-864, as amended), includes early childhood education programs and all child development programs, for the purpose of the cancellation provisions of loans to students in institutions of higher learning.

(p) “Family child care home education network” means an entity organized under law that contracts with the department pursuant to Section 8245 to make payments to licensed family child care home providers and to provide educational and support services to those providers and to children and families eligible for state-subsidized child care and development services. A family child care home education network may also be referred to as a family child care home system.

(q) “Health services” include, but are not limited to, all of the following:

(1) Referral, whenever possible, to appropriate health care providers able to provide continuity of medical care.

(2) Health screening and health treatment, including a full range of immunization recorded on the appropriate state immunization form to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and the Child Health and Disability Prevention Program (Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code), but only to the extent that ongoing care cannot be obtained utilizing community resources.

(3) Health education and training for children, parents, staff, and providers.

(4) Followup treatment through referral to appropriate health care agencies or individual health care professionals.

(r) “Higher educational institutions” means the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Community Colleges, and the governing bodies of any accredited private nonprofit institution of postsecondary education.

(s) “Intergenerational staff” means persons of various generations.

(t) “Limited-English-speaking-proficient and non-English-speaking-proficient children” means children who are unable to benefit fully from an English-only child care and development program as a result of either of the following:

(1) Having used a language other than English when they first began to speak.

(2) Having a language other than English predominantly or exclusively spoken at home.

(u) “Parent” means a biological parent, stepparent, adoptive parent, foster parent, caretaker relative, or any other adult living with a child who has responsibility for the care and welfare of the child.

(v) “Program director” means a person who, pursuant to Sections 8244 and 8360.1, is qualified to serve as a program director.

(w) “Proprietary child care agency” means an organization or facility providing child care, which is operated for profit.

(x) “Resource and referral programs” means programs that provide information to parents, including referrals and coordination of community resources for parents

and public or private providers of care. Services frequently include, but are not limited to: technical assistance for providers, toy-lending libraries, equipment-lending libraries, toy- and equipment-lending libraries, staff development programs, health and nutrition education, and referrals to social services.

(y) “Severely disabled children” are children with exceptional needs from birth to 21 years of age, inclusive, who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, or severe mental retardation. “Severely disabled children” also include those individuals who would have been eligible for enrollment in a developmental center for handicapped pupils under Chapter 6 (commencing with Section 56800) of Part 30 of Division 4 of Title 2 as it read on January 1, 1980.

(z) “Short-term respite child care” means child care service to assist families whose children have been identified through written referral from a legal, medical, or social service agency, or emergency shelter as being neglected, abused, exploited, or homeless, or at risk of being neglected, abused, exploited, or homeless. Child care is provided for less than 24 hours per day in child care centers, treatment centers for abusive parents, family child care homes, or in the child’s own home.

(aa) (1) “Site supervisor” means a person who, regardless of his or her title, has operational program responsibility for a child care and development program at a single site. A site supervisor shall hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a child care and development program operating in a single site. The Superintendent may waive the requirements of this

subdivision if the Superintendent determines that the existence of compelling need is appropriately documented.

(2) For California state preschool programs, a site supervisor may qualify under any of the provisions in this subdivision, or may qualify by holding an administrative credential or an administrative services credential. A person who meets the qualifications of a site supervisor under both ~~Section~~ Sections 8244 and ~~subdivision (c) of Section~~ 8360.1 is also qualified under this subdivision.

(ab) "Standard reimbursement rate" means that rate established by the Superintendent pursuant to Section 8265.

(ac) "Startup costs" means those expenses an agency incurs in the process of opening a new or additional facility prior to the full enrollment of children.

(ad) "California state preschool program" means part-day and full-day educational programs for low-income or otherwise disadvantaged three- and four-year-old children.

(ae) "Support services" means those services that, when combined with child care and development services, help promote the healthy physical, mental, social, and emotional growth of children. Support services include, but are not limited to: protective services, parent training, provider and staff training, transportation, parent and child counseling, child development resource and referral services, and child placement counseling.

(af) "Teacher" means a person with the appropriate permit issued by the Commission on Teacher Credentialing who provides program supervision and instruction that includes supervision of a number of aides, volunteers, and groups of children.

(ag) “Underserved area” means a county or subcounty area, including, but not limited to, school districts, census tracts, or ZIP Code areas, where the ratio of publicly subsidized child care and development program services to the need for these services is low, as determined by the Superintendent.

(ah) “Workday” means the time that the parent requires temporary care for a child for any of the following reasons:

- (1) To undertake training in preparation for a job.
- (2) To undertake or retain a job.
- (3) To undertake other activities that are essential to maintaining or improving the social and economic function of the family, are beneficial to the community, or are required because of health problems in the family.

(ai) “Three-year-old children” means children who will have their third birthday on or before December 2 of the fiscal year in which they are enrolled in a California state preschool program.

(aj) “Four-year-old children” means children who will have their fourth birthday on or before December 2 of the fiscal year in which they are enrolled in a California state preschool program.

(ak) “Local educational agency” means a school district, a county office of education, a community college district, or a school district on behalf of one or more schools within the school district.

SEC. 5. Section 8263.1 of the Education Code is amended to read:

8263.1. (a) For purposes of this chapter, “income eligible” means that a family’s adjusted monthly income is at or below ~~75~~ 60 percent of the state median income,

adjusted for family size, and adjusted annually, with the exception of the part-day California state preschool program pursuant to Article 7 (commencing with Section 8235). For purposes of Article 7 (commencing with Section 8235), "income eligible" means that a family's adjusted monthly income is at or below 75 percent of the state median income, adjusted for family size, and adjusted annually. ~~The~~

(b) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the Federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the Federal Social Security Act and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included as income for the purposes of determining eligibility for child care under this chapter.

SEC. 6. Section 8263.4 of the Education Code is amended to read:

8263.4. ~~(a) The preferred placement for children~~ Children who are 11 or 12 years of age and who are otherwise eligible for subsidized child care services except for their age, as specified in subdivision (a) of Section 8201 and subdivision (i) of Section 8208, shall be given first priority for enrollment in a before or after school program established pursuant to Article 22.5 (commencing with Section 8482) or Article 22.6 (commencing with Section 8484.7). Contractors shall provide each family of an otherwise eligible 11 or 12 year old with information about the availability of after school programs reasonably located in the family's community.

~~(b) Children who are 11 or 12 years of age shall be eligible for subsidized child care services only for the portion of care needed that is not available in a before or after school program provided pursuant to Article 22.5 (commencing with Section~~

~~8482) of Chapter 2 or Article 22.6 (commencing with Section 8484.7) of Chapter 2. Contractors shall provide each family of an eligible 11 or 12 year old with the option of combining care provided in a before or after school program with subsidized child care in another setting, for those hours within a day when the before or after school program does not operate, in order to meet the child care needs of the family.~~

~~(c) Children who are 11 or 12 years of age, who are eligible for and who are receiving subsidized child care services, and for whom a before or after school program is not available, shall continue to receive subsidized child care services.~~

~~(d) A before or after school program shall be considered not available when a parent certifies in writing, on a form provided by the State Department of Education that is translated into the parent's primary language pursuant to Sections 7295.4 and 7296.2 of the Government Code, the reason or reasons why the program would not meet the child care needs of the family. The reasons why a before or after school program shall be considered not available shall include, but not be limited to, any of the following:~~

~~(1) The program does not provide services when needed during the year, such as during the summer, school breaks, or intersession.~~

~~(2) The program does not provide services when needed during the day, such as in the early morning, evening, or weekend hours.~~

~~(3) The program is too geographically distant from the child's school of attendance.~~

~~(4) The program is too geographically distant from the parent's residence.~~

~~(5) Use of the program would create substantial transportation obstacles for the family.~~

~~(6) Any other reason that makes the use of before or after school care inappropriate for the child or burdensome on the family.~~

~~(e) If an 11 or 12 year old child who is enrolled in a subsidized child development program becomes ineligible for subsidized child care under subdivision (b) and is disenrolled from the before or after school program, or if the before or after school program no longer meets the child care needs of the family, the child shall be given priority to return to the subsidized child care services upon the parent's notification of the contractor of the need for child care.~~

~~(f) This section does not apply to an 11 or 12 year old child with a disability, including a child with exceptional needs who has an individual education plan as required by the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of this code.~~

~~(g) The savings generated each contract year by the implementation of the changes made to this section by the act amending this section during the 2005 portion of the 2005-06 Regular Session shall remain with each alternative payment program, child development center, or other contractor for the provision of child care services, except for care provided by programs pursuant to Article 15.5 (commencing with Section 8350). Each contractor shall report annually to the department the amount of savings resulting from this implementation, and the department shall report annually to the Legislature the amount of savings statewide resulting from that implementation.~~

SEC. 7. Section 8264.8 of the Education Code is amended to read:

8264.8. Until the Superintendent of Public Instruction promulgates regulations for center-based programs establishing staffing ratios, the following staffing ratios shall apply:

- (a) Infants, 0 to 2 years old—1:3 adult-child ratio, 1:18 teacher-child ratio.
- (b) Infants and toddlers, 0 to 2 years old—1:4 adult-child ratio, 1:16 teacher-child ratio.
- (c) Children 3 to 6 years old—1:8 adult-child ratio, 1:24 teacher-child ratio.
- (d) Children 6 to 10 years old—1:14 adult-child ratio, 1:28 teacher-child ratio.
- (e) Children 10 to 13 years old—1:18 adult-child ratio, 1:36 teacher-child ratio.
- (f) If groups of children of varying ages are commingled, the teacher and adult ratios shall be proportionate and appropriate to the ages and groups of children.

SEC. 8. Section 8354 of the Education Code is amended to read:

8354. (a) The third stage of child care begins when a funded space is available. CalWORKs recipients are eligible for the third stage of child care. Persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed ~~75~~ 60 percent of the state median income. The third stage shall be administered by programs contracting with the State Department of Education. Parents' eligibility for child care and development services will be governed by Section 8263 and regulations adopted by the State Department of Education.

(b) In order to move welfare recipients and former recipients from their relationship with county welfare departments to relationships with institutions providing

services to working families, it is the intent of the Legislature that families that are former recipients of aid, or are transitioning off aid, receive their child care assistance in the same fashion as other low-income working families. Therefore, it is the intent of the Legislature that families no longer rely on county welfare departments to obtain child care subsidies beyond the time they are receiving other services from the welfare department.

(c) A county welfare department shall not administer the third stage of child care for CalWORKs recipients except to the extent to which it delivered those services to families receiving, or within one year of having received, Aid to Families with Dependent Children prior to the enactment of this section.

(d) This article does not preclude county welfare departments from operating an alternative payment program under contract with the State Department of Education to serve families referred by child protective services.

SEC. 9. Section 8357.5 is added to the Education Code, to read:

8357.5. (a) Notwithstanding any other law, the State Department of Education shall amend all contracts with alternative payment agencies and direct services contractors, except for the part-day California state preschool program under Article 7 (commencing with Section 8235), to implement the intent of reducing subsidies in the aggregate by at least 34.6 percent, as reflected in the Budget Act of 2011. The State Department of Education shall provide local flexibility in the administration of waiting lists and the determination of subsidy levels for families, in order to eliminate the administrative burden of family fee collection by state contractors. Specifically, these amendments shall provide for all of the following:

(1) Alternative payment agencies and direct service contractors shall work directly with their respective county office of education to determine priorities for authorizing new families who are waiting for child care to receive subsidized care when space is available, provided the family meets established income, eligibility, and need requirements. The county office of education may establish a centralized waiting list for this purpose in cooperation with an alternative payment agency under contract with the department for services within that county. If a county office of education elects to establish a centralized waiting list, all contractors serving residents of the county shall participate in the centralized waiting list. Costs for establishing and maintaining a centralized waiting list shall be deemed an allowable administrative expense, and shall be in addition to the normal administrative allowance of the applicable state contracts.

(2) Alternative payment agencies and direct service contractors shall work directly with their respective county office of education to determine revised subsidy policies to reduce subsidies in aggregate by 34.6 percent. Each county office of education may develop sliding scales of subsidies for this purpose that recognize family income, family size, age of children, the number of children in care, cost of care, and length of time receiving subsidies. However, it is intended that the subsidy scales be calculated in ways that do not reduce the number of children and families that may receive a subsidy absent the 34.6 percent subsidy reduction. Priority for child care services shall be given to the lowest income families in determining revised subsidy policies.

(3) Subsidized families shall be responsible to pay up to the remainder of the direct service care provider's allowable charges as a copayment directly to the provider.

For this purpose, the remainder shall be equal to the family fees specified in the department's fee schedule, as appropriate, and the difference between the allowable subsidy determined in paragraph (2) compared to the appropriate standard reimbursement rate for direct service contractors or the appropriate regional market rate based reimbursement amount for voucher based care.

(4) For purposes of paragraphs (2) and (3), department contractors and county offices of education shall not be constrained in developing subsidies that result in copayments exceeding 10 percent of family income.

(b) Each county office of education may consult with its respective county welfare director and local planning council to the extent that those entities choose to participate in the implementation of paragraphs (1) and (2) of subdivision (a).

(c) Each county office of education electing to establish revised subsidy policies pursuant to paragraph (2) of subdivision (a) shall submit a plan for implementing the subsidy reduction that meets the requirements of this section for approval by the State Department of Social Services, in consultation with the State Department of Education, by March 1, 2011, for CalWORKs Stage 3 programs, pursuant to this article, and by July 1, 2011, for all other specified programs. The State Department of Education shall enter into an interagency agreement, utilizing quality improvement funds from Schedule (1.5)(I) of Item 6110-196-0001 of the annual Budget Act, to reimburse the State Department of Social Services for costs associated with the review and approval of the plans.

SEC. 10. Section 8499 of the Education Code is amended to read:

8499. For purposes of this chapter, the following definitions shall apply:

(a) “Block grant” means the block grant contained in Title VI of the Child Care and Development Fund, as established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

(b) “Child care” means all licensed child care and development services and license-exempt child care, including, but not limited to, private for-profit programs, nonprofit programs, and publicly funded programs, for all children ~~up to and including~~ 12 10 years of age or younger, including children with exceptional needs and children from all linguistic and cultural backgrounds.

(c) “Child care provider” means a person who provides child care services or represents persons who provide child care services.

(d) “Community representative” means a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community-based organizations but is not a child care provider and does not represent an agency that contracts with the State Department of Education to provide child care and development services.

(e) “Consumer” means a parent or person who receives, or who has received within the past 36 months, child care services.

(f) “Department” means the State Department of Education.

(g) “Local planning council” means a local child care and development planning council as described in Section 8499.3.

(h) “Public agency representative” means a person who represents a city, county, city and county, or local educational agency.

SEC. 11. Section 8499.8 is added to the Education Code, to read:

8499.8. Notwithstanding any other law, local planning councils may assist county offices of education in the administration of waiting lists and the determination of subsidy levels for families pursuant to Section 8357.5.

SEC. 12. Section 14041.5 of the Education Code is amended to read:

14041.5. (a) Notwithstanding subdivision (a) of Section 14041, commencing with the 2002–03 fiscal year, warrants for the principal apportionments for the month of June instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41335.

(b) Except as provided in subdivisions (c) and (d), for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants drawn pursuant to subdivision (a) shall be deemed to be “General Fund revenues appropriated to school districts,” as defined in subdivision (c) of Section 41202 for the fiscal year in which the warrants are drawn and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

(c) For the 2003–04 school year, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2004–05 fiscal year shall be

seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000). Any amount in excess of seven hundred twenty-six million two hundred seventy thousand dollars (\$726,270,000) that is apportioned in July of 2004 is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the 2003–04 fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the 2003–04 fiscal year.

(d) For the 2004–05 school year to the 2007–08 school year, inclusive, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000). Any amount in excess of seven hundred fifteen million one hundred eighteen thousand dollars (\$715,118,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

(e) For the 2008–09 school year, and each school year thereafter, the amount of apportionments for revenue limits computed pursuant to Section 42238 from any of the apportionments made pursuant to Section 14041 that are deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the following fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the following fiscal year shall be one billion ~~six~~ one hundred one million six hundred fifty-five thousand dollars ~~(\$1,601,655,000)~~ (\$1,101,655,000). Any amount in excess of one billion ~~six~~ one hundred one million six hundred fifty-five thousand dollars ~~(\$1,601,655,000)~~ (\$1,101,655,000) that is apportioned in July of any year is deemed “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 for the prior fiscal year and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B” as defined in subdivision (e) of Section 41202, for the prior fiscal year.

SEC. 13. Section 14041.6 of the Education Code is amended to read:

14041.6. (a) Notwithstanding subdivision (a) of Section 14041, or any other law, commencing with the 2008–09 fiscal year, warrants for the principal apportionments for the month of February in the amount of two billion dollars (\$2,000,000,000) instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(b) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2009–10 fiscal year, warrants for the principal apportionments for the month of April in the amount of six hundred seventy-eight million six hundred eleven thousand dollars (\$678,611,000) and for the month of May in the amount of one billion dollars (\$1,000,000,000) instead shall be drawn in August of the same calendar year pursuant to the certification made pursuant to Section 41339.

(c) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2010–11 fiscal year, warrants for the principal apportionments for the month of April in the amount of four hundred ~~twenty~~ nineteen million twenty thousand dollars ~~(\$420,000,000) and (\$419,020,000)~~, for the month of May in the amount of eight hundred million dollars (\$800,000,000), and for the month of June in the amount of five hundred million dollars (\$500,000,000), instead shall be drawn in July of the same calendar year pursuant to the certification made pursuant to Section 41339.

(d) Notwithstanding subdivision (a) of Section 14041 or any other law, commencing with the 2011–12 fiscal year, warrants for the principal apportionments for the month of July in the amount of two billion sixty-three million seven hundred ninety-four thousand dollars (\$2,063,794,000) instead shall be drawn in July of the 2012 calendar year pursuant to the certification made pursuant to Section 41339.

~~(d)~~

(e) Except as provided in subdivisions (c) and (e) of Section 41202, for purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the warrants drawn pursuant to subdivisions (a), (b), ~~and (c)~~, and (d) shall

be deemed to be “General Fund revenues appropriated to school districts,” as defined in subdivision (c) of Section 41202, for the fiscal year in which the warrants are drawn and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the fiscal year in which the warrants are drawn.

SEC. 14. Section 17070.766 of the Education Code is amended to read:

17070.766. Notwithstanding paragraph (2) of subdivision (b) of Section 17070.75, for the 2008–09, 2009–10, 2010–11, 2011–12, ~~and 2012–13,~~ 2013–14, and 2014–15 fiscal years, the board shall require a school district to deposit into the account established pursuant to paragraph (1) of subdivision (b) of Section 17070.75 only an amount equal to 1 percent of the total expenditures by a district from its general fund in the 2008–09, 2009–10, 2010–11, 2011–12, ~~and 2012–13,~~ 2013–14, and 2014–15 fiscal years respectively, but if the school district maintains its facilities in good repair, as defined in Section 17002, it shall be exempt from this 1 percent requirement. A school district may elect to deposit into the account an amount that is greater than the amount required by the board pursuant to this section.

SEC. 15. Section 17463.7 of the Education Code is amended to read:

17463.7. (a) Notwithstanding any other law, a school district may deposit the proceeds from the sale of surplus real property, together with any personal property located on the property, purchased entirely with local funds, into the general fund of the school district and may use the proceeds for any one-time general fund purpose. If the purchase of the property was made using the proceeds of a local general obligation

bond or revenue derived from developer fees, the amount of the proceeds of the transaction that may be deposited into the general fund of the school district may not exceed the percentage computed by the difference between the purchase price of the property and the proceeds from the transaction, divided by the amount of the proceeds of the transaction. For the purposes of this section, proceeds of the transaction means either of the following, as appropriate:

(1) The amount realized from the sale of property after reasonable expenses related to the sale.

(2) For a transaction that does not result in a lump-sum payment of the proceeds of the transaction, the proceeds of the transaction shall be calculated as the net present value of the future cashflow generated by the transaction.

(b) The State Allocation Board shall reduce an apportionment of hardship assistance awarded to the particular school district pursuant to Article 8 (commencing with Section 17075.10) by an amount equal to the amount of the sale of surplus real property used for a one-time expenditure of the school district pursuant to this section.

(c) If the school district exercises the authority granted pursuant to this section, the district is ineligible for hardship funding from the State School Deferred Maintenance Fund under Section 17587 for five years after the date proceeds are deposited into the general fund pursuant to this section.

(d) Before a school district exercises the authority granted pursuant to this section, the governing board of the school district shall first submit to the State Allocation Board documents certifying the following:

(1) The school district has no major deferred maintenance requirements not covered by existing capital outlay resources.

(2) The sale of real property pursuant to this section does not violate the provisions of a local bond act.

(3) The real property is not suitable to meet projected school construction needs for the next 10 years.

(e) Before the school district exercises the authority granted pursuant to this section, the governing board of the school district at a regularly scheduled meeting shall present a plan for expending one-time resources pursuant to this section. The plan shall identify the source and use of the funds and describe the reasons why the expenditure will not result in ongoing fiscal obligations for the school district.

(f) The Office of Public School Construction shall submit an interim and a final report to the State Allocation Board and the budget, education policy, and fiscal committees of the Legislature that identifies the school districts that have exercised the authority granted by this section, the amount of proceeds involved, and the purpose for which those proceeds were used. The interim report shall be submitted by January 1, 2011, and the final report by January 1, ~~2012~~ 2014.

(g) This section shall remain in effect only until January 1, ~~2012~~ 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2012~~ 2014, deletes or extends that date.

SEC. 16. Section 17584.1 of the Education Code, as amended by Section 6 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009, is amended to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) The purposes of this section are to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities and to provide a foundation for local accountability in that regard.

(c) This section shall become inoperative on July 1, ~~2013~~ 2015, and, as of January 1, ~~2014~~ 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2014~~ 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 17. Section 17584.1 of the Education Code, as added by Section 7 of Chapter 12 of the Third Extraordinary Session of the Statutes of 2009, is amended to read:

17584.1. (a) The governing board of a school district shall discuss proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

(b) In any fiscal year that the school district does not set aside 0.5 percent of its current-year revenue limit average daily attendance for deferred maintenance, the governing board of a school district shall submit a report to the Legislature by March 1 of that year, with copies to the Superintendent, the state board, the Department of Finance, and the State Allocation Board.

(c) The report required pursuant to subdivision (b) shall include all of the following:

(1) A schedule of the complete school facilities deferred maintenance needs of the school district for the current fiscal year, including a schedule of costs per schoolsite and total costs.

(2) A detailed description of the school district's spending priorities for the current fiscal year and an explanation of why those priorities, or any other considerations, have prevented the school district from setting aside sufficient local funds so as to permit it to fully fund its deferred maintenance program and, if eligible, to participate in the state deferred maintenance funding program as set forth in Section 17584.

(3) An explanation of the manner in which the governing board of a school district plans to meet its current-year facilities deferred maintenance needs without setting aside the funds set forth in Section 17584.

(d) Copies of the report shall be made available at each schoolsite within the school district, and shall be provided to the public upon request.

(e) The purposes of this section are to inform the public regarding the local decisionmaking process relating to the deferred maintenance of school facilities and to provide a foundation for local accountability in that regard.

(f) This section shall become operative on July 1, ~~2013~~ 2015.

SEC. 18. Section 17587 of the Education Code is amended to read:

17587. (a) Notwithstanding the limitations of Section 17584, the State Allocation Board may each year reserve an amount not to exceed 10 percent of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts, in instances of extreme hardship. The apportionment shall be in

addition to the apportionments made pursuant to Section 17584. Not less than one-half of all funds made available by this section shall be apportioned to school districts that had an average daily attendance, excluding summer session attendance, of less than 2,501 during the prior fiscal year.

An extreme hardship shall exist in a school district if the State Allocation Board determines the existence of all of the following:

(1) That the district has deposited in its deferred maintenance fund an amount equal to at least 0.5 percent of the total general funds and adult education funds budgeted by the district for the fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

(2) That the district has a critical project on its five-year plan which, if not completed in one year, could result in serious damage to the remainder of the facility or would result in a serious hazard to the health and safety of the pupils attending the facility.

(3) That the total funds deposited by the district and the state pursuant to Section 17584 are insufficient to complete the project.

(b) If a determination is made that a hardship exists pursuant to subdivision (a), the State Allocation Board may increase the apportionment to a school district by the amount it determines necessary to complete the critical project.

(c) Notwithstanding subdivision (a), in any fiscal year in which the State Allocation Board has apportioned all funding from the State School Deferred Maintenance Fund for which school districts have qualified under Section 17584, the board may apportion any amount remaining in that fund for the purposes of this section.

(d) This section shall become operative on July 1, ~~2013~~ 2015.

SEC. 19. Section 33128.3 of the Education Code is amended to read:

33128.3. (a) Notwithstanding the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128, for the 2009–10, 2010–11, and 2011–12 ~~fiscal year~~ years, the minimum state requirement for a reserve for economic uncertainties is one-third of the percentage for a reserve adopted by the state board pursuant to Section 33128 as of May 1, 2009.

(b) The school district shall make progress, in the ~~2010–11~~ 2012–13 fiscal year, toward returning to compliance with the standards and criteria adopted pursuant to paragraph (3) of subdivision (a) of Section 33128.

(c) For the ~~2011–12~~ 2013–14 fiscal year, the minimum state requirement for a reserve for economic uncertainties shall be restored to the percentage adopted by the state board pursuant to Section 33128 as of May 1, 2009.

(d) This section shall become inoperative on July 1, ~~2012~~ 2014, and, as of January 1, ~~2013~~ 2015, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2013~~ 2015, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 20. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990–91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section, school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California

shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other law, this section does not apply to the 1992–93 to ~~2010–11~~ 2011–12 fiscal years, inclusive.

SEC. 21. Section 42238.146 of the Education Code is amended to read:

42238.146. (a) (1) For the 2003–04 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 1.198 percent deficit factor.

(2) For the 2004–05 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003–04 and 2004–05 fiscal years, the revenue limit for each school district determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005–06 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.892 percent deficit factor.

(5) For the 2008–09 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 7.844 percent deficit factor.

(6) For the 2009–10 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 18.355 percent deficit factor.

(7) For the 2010–11 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 17.963 percent deficit factor.

(8) For the 2011–12 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 19.608 percent deficit factor.

(9) For the 2012–13 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 19.608 percent deficit factor.

(b) In computing the revenue limit for each school district for the 2006–07 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2003–04, 2004–05, and 2005–06 fiscal years without being reduced by the deficit factors specified in subdivision (a).

~~(c) In computing the revenue limit for each school district for the 2010–11 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue~~

~~limit for that school district had been determined for the 2009–10 fiscal year without being reduced by the deficit factors specified in subdivision (a).~~

~~(d) In computing the revenue limit for each school district for the 2011–12 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2010–11 fiscal year without being reduced by the deficit factors specified in subdivision (a).~~

SEC. 22. Section 42605 of the Education Code is amended to read:

42605. (a) (1) Unless otherwise prohibited under federal law or otherwise specified in subdivision (e), for the 2008–09 fiscal year to the ~~2012–13~~ 2014–15 fiscal year, inclusive, recipients of funds from the items listed in paragraph (2) may use funding received, pursuant to subdivision (b), from any of these items listed in paragraph (2) that are contained in an annual Budget Act, for any educational purpose.

(2) Items 6110-104-0001, 6110-105-0001, 6110-108-0001, 6110-122-0001, ~~6110-123-0001~~, 6110-124-0001, 6110-137-0001, 6110-144-0001, 6110-150-0001, 6110-151-0001, 6110-156-0001, 6110-181-0001, 6110-188-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-208-0001, 6110-209-0001, 6110-211-0001, 6110-227-0001, 6110-228-0001, 6110-232-0001, 6110-240-0001, 6110-242-0001, 6110-243-0001, 6110-244-0001, 6110-245-0001, 6110-246-0001, 6110-247-0001, 6110-248-0001, 6110-260-0001, 6110-265-0001, 6110-266-0001, 6110-267-0001, 6110-268-0001, and 6360-101-0001 of Section 2.00.

(b) (1) For the 2009–10 fiscal year to the ~~2012–13~~ 2014–15 fiscal year, inclusive, the Superintendent or other administering state agency, as appropriate, shall apportion

from the amounts provided in the annual Budget Act for the items enumerated in paragraph (2) of subdivision (a) an amount to recipients based on the same relative proportion that the recipient received in the 2008–09 fiscal year for the programs funded through the items enumerated in paragraph (2) of subdivision (a).

(2) This section and Section 42 of Chapter 12 of the 2009–10 Third Extraordinary Session do not authorize a school district that receives funding on behalf of a charter school pursuant to Sections 47634.1 and 47651 to redirect this funding for another purpose unless otherwise authorized in law or pursuant to an agreement between a charter school and its chartering authority. Notwithstanding paragraph (1), for the 2008–09 fiscal year to the ~~2012–13~~ 2014–15 fiscal year, inclusive, a school district that receives funding on behalf of a charter school pursuant to Sections 47634.1 and 47651 shall continue to distribute the funds to those charter schools based on the relative proportion that the school district distributed in the 2007–08 fiscal year, and shall adjust those amounts to reflect changes in charter school attendance in the district. The amounts allocated shall be adjusted for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a). For a charter school that began operation in the 2008–09 fiscal year, if a school district received funding on behalf of that charter school pursuant to Sections 47634.1 and 47651, the school district shall continue to distribute the funds to that charter school based on the relative proportion that the school district distributed in the 2008–09 fiscal year and shall adjust the amount of those funds to reflect changes in charter school attendance in the district. The amounts allocated shall be adjusted for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a).

(3) Notwithstanding paragraph (1), for the 2008–09 fiscal year to the ~~2012–13~~ 2014–15 fiscal year, inclusive, the Superintendent shall apportion from the amounts appropriated by Item 6110-211-0001 of Section 2.00 of the annual Budget Act an amount to a charter school in accordance with the per-pupil methodology prescribed in subdivision (c) of Section 47634.1.

(4) Notwithstanding paragraph (1), for the 2008–09 fiscal year to the ~~2012–13~~ 2014–15 fiscal year, inclusive, the Superintendent shall apportion from the amounts provided in the annual Budget Act an amount to a school district, charter school, and county office of education based on the same relative proportion that the local educational agency received in the 2007–08 fiscal year for the programs funded through the following items contained in the annual Budget Act: 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-190-0001, Schedule (3) of 6110-193-0001, 6110-198-0001, 6110-232-0001, and Schedule (2) of 6110-240-0001.

(5) For purposes of paragraph (4), if a direct-funded charter school began operation in the 2008–09 fiscal year, the amount that the charter school was entitled to receive from the items enumerated in paragraph (4) for the 2008–09 fiscal year, as certified by the Superintendent in March 2009, is deemed to have been received in the 2007–08 fiscal year.

(c) (1) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a school district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the school district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution on the amount so reduced.

(2) As a condition of receipt of funds, the governing board of the school district or board of the county office of education, as appropriate, at a regularly scheduled open public hearing shall take testimony from the public, discuss, approve or disapprove the proposed use of funding, and make explicit for each of the budget items in paragraph (2) of subdivision (a) the purposes for which the funds will be used.

(3) Using the Standardized Account Code Structure reporting process, a local educational agency shall report expenditures of funds pursuant to the authority of this section by using the appropriate function codes to indicate the activities for which these funds are expended. The department shall collect and provide this information to the Department of Finance and the appropriate policy and budget committees of the Legislature by April 15, 2010, and annually thereafter on April 15 until, and including, April 15, ~~2014~~ 2016.

(d) For the 2008–09 fiscal year to the ~~2012–13~~ 2014–15 fiscal year, inclusive, local educational agencies that use the flexibility provision of this section shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language, associated with the items enumerated in subdivision (a).

(e) Notwithstanding subdivision (d), the following requirements shall continue to apply:

(1) For Items 6110-105-0001 and 6110-156-0001, the amount authorized for flexibility shall exclude the funding provided for instruction of CalWORKs-eligible students pursuant to Schedules (2) and (3) and Provisions 2 and 4.

(2) (A) Any instructional materials purchased by a local educational agency shall be the materials adopted by the state board for kindergarten and grades 1 to 8, inclusive, and for grades 9 to 12, inclusive, the materials purchased shall be aligned with state standards as defined by Section 60605, and shall also meet the reporting and sufficiency requirements contained in Section 60119.

(B) For purposes of this section, “sufficiency” means that each pupil has sufficient textbooks and instructional materials in the four core areas as defined by Section 60119 and that all pupils within the local educational agency who are enrolled in the same course shall have identical textbooks and instructional materials, as specified in Section 1240.3.

(3) For Item 6110-195-0001, the item shall exclude moneys that are required to fund awards for teachers that have previously met the requirements necessary to obtain these awards, until the award is paid in full.

(4) For Item 6110-266-0001, a county office of education shall conduct at least one site visit to each of the required schoolsites pursuant to Section 1240 and shall fulfill all of the duties set forth in Sections 1240 and 44258.9.

(5) For Item 6110-198-0001, a school district or county office of education that operates the child care component of the Cal-SAFE program shall comply with paragraphs (5) and (6) of subdivision (c) of Section 54746.

(f) This section does not invalidate any state law pertaining to teacher credentialing requirements or the functions that require credentials.

SEC. 23. Section 42606 of the Education Code is amended to read:

42606. (a) A local educational agency, including a direct-funded charter school, may apply for any state categorical program funding included in the annual Budget Act on behalf of a school that begins operation in the 2008–09 to the 2012–13 fiscal years, inclusive, but only to the extent the school or local educational agency is eligible for funding and meets the provisions of the program that were in effect as of January 1, 2009, except that charter schools shall not apply for any of the programs contained in Section 47634.4.

(b) A local educational agency that establishes a new school by redirecting enrollment from its existing schools to the new school shall not be eligible to receive funding in addition to the amounts allocated pursuant to Section 42605 for the categorical programs specified in that section or for the class size reduction program pursuant to Sections 52122 and 52124.

(c) The Superintendent shall report the number of new schools and the programs that these schools are applying for, including an estimate of the cost for that year. This information shall be reported by November 11, 2009, and each fiscal year thereafter, to the appropriate committees of the Legislature, the Legislative Analyst's Office, and the Department of Finance.

(d) Notwithstanding subdivision (a), for the 2010–11 and 2011–12 fiscal-year years, the Superintendent shall allocate a supplemental categorical block grant to a charter school that began operation in the 2008–09, 2009–10, ~~or~~ 2010–11, or 2011–12 fiscal year. The supplemental categorical block grant shall equal one hundred twenty-seven dollars (\$127) per unit of charter school average daily attendance as determined at the 2010–11 second principal apportionment for schools commencing

operations in the 2008–09, 2009–10, or 2010–11 fiscal year, and at the 2011–12 second principal apportionment for schools commencing operations in the 2011–12 fiscal year.

These supplemental categorical block grant funds may be used for any educational purpose. A locally funded charter school that converted from a preexisting school between the 2008–09 and ~~2010–11~~ 2011–12 fiscal years is not eligible for funding specified in this section. A charter school that receives funding pursuant to this subdivision shall not receive additional funding for programs specified in paragraph (2) of subdivision (a) of Section 42605, with the exception of the program funded pursuant to Item 6110-211-0001 of Section 2.00 of the annual Budget Act.

SEC. 24. Section 46201.2 of the Education Code is amended to read:

46201.2. (a) Commencing with the 2009–10 school year and continuing through the ~~2012–13~~ 2014–15 school year, a school district, county office of education, or charter school may reduce the equivalent of up to five days of instruction or the equivalent number of instructional minutes without incurring the penalties set forth in Sections 41420, 46200, 46200.5, 46201, 46201.5, 46202, and 47612.5. A school district, county office of education, or charter school shall receive revenue limit funding based on the adjustments prescribed pursuant to Section 42238.146 whether or not it reduces the number of schooldays or instructional minutes.

(b) This section shall become inoperative on July 1, ~~2013~~ 2015, and, as of January 1, ~~2014~~ 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, ~~2014~~ 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 25. Section 52124.3 of the Education Code is amended to read:

52124.3. (a) For the 2008–09, 2009–10, 2010–11, ~~and~~ 2011–12, 2012–13, and 2013–14 fiscal years only, the amounts deducted pursuant to subdivision (d) of Section 52124 shall be as follows:

(1) Five percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 20.5 but less than 21.5.

(2) Ten percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 21.5 but less than 22.5.

(3) Fifteen percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 22.5 but less than 23.0.

(4) Twenty percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 23.0 but less than 25.0.

(5) Thirty percent of the amount to which the school district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 25.0.

(b) For the 2008–09, 2009–10, 2010–11, and 2011–12 fiscal years, a local educational agency is eligible to receive funding pursuant to this chapter only for the same number of classes for which it had applied to receive program funding as of January 31, 2009. A local educational agency that meets these criteria is eligible for reduced funding under this section only for the number of classes reported on its

2008–09 operations application and is not eligible for funds under this chapter for classes in addition to that number.

SEC. 26. Section 60200.7 of the Education Code is amended to read:

60200.7. Notwithstanding Sections 60200 and 60200.1, the state board shall not adopt instructional materials or follow the procedures adopted pursuant to Sections 60200 and 60200.1 until the ~~2013–14~~ 2015–16 school year.

SEC. 27. Section 60422.1 of the Education Code, as amended by Section 29 of Chapter 2 of the Fourth Extraordinary Session of the Statutes of 2009, is amended and renumbered to read:

~~60422.1.~~

60422.3. (a) Notwithstanding subdivision (i) of Section 60200, Section 60422, or any other provision of law, for the 2008–09 to the ~~2012–13~~ 2014–15 fiscal years, inclusive, the governing board of a school district is not required to provide pupils with instructional materials by a specified period of time following adoption of those materials by the state board.

(b) Notwithstanding subdivision (a), this section does not relieve school districts of their obligations to provide every pupil with textbooks or instructional materials, as provided in Section 1240.3.

(c) This section does not relieve school districts of the obligation to hold a public hearing or hearings pursuant to subparagraphs (A) and (B) of paragraph (1) of subdivision (a) of Section 60119.

(d) This section shall become inoperative on July 1, ~~2013~~ 2015, and, as of January 1, ~~2014~~ 2016, is repealed, unless a later enacted statute, that becomes operative on or

before January 1, ~~2014~~ 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 28. Section 69766 of the Education Code is amended to read:

69766. (a) The Federal Student Loan Reserve Fund and the Student Loan Operating Fund are hereby created in the State Treasury. On January 1, 2000, the State Guaranteed Loan Reserve Fund shall cease to exist, and funds deposited, or required to be deposited, in that fund shall be transferred to the Federal Student Loan Reserve Fund or to the Student Loan Operating Fund and allocated to those funds in accordance with the requirements of federal law.

(b) All moneys received for the purposes of this article from federal, state, or local governments, including any moneys deposited in the State Guaranteed Loan Reserve Fund, or from other private or public sources, shall be deposited in the Federal Student Loan Reserve Fund or the Student Loan Operating Fund and allocated to those funds in accordance with the requirements of federal law. Funds deposited in the Federal Student Loan Reserve Fund or the Student Loan Operating Fund are not part of the General Fund, as defined in Section 16300 of the Government Code. No moneys from the General Fund shall be deposited in the Federal Student Loan Reserve Fund or the Student Loan Operating Fund.

(c) The contents of the Federal Student Loan Reserve Fund are federal funds, administered in accordance with federal laws and regulations. The contents of the Student Loan Operating Fund are state funds within the custody and control of the Student Aid Commission.

(d) ~~Notwithstanding Section 13340 of the Government Code, all~~ All moneys deposited in the Federal Student Loan Reserve Fund and the Student Loan Operating Fund ~~are hereby continuously appropriated, without regard to fiscal years, for purposes of this article. The continuous appropriation made by this section shall be available to assume the obligation under any outstanding budget act appropriation from the State Guaranteed Loan Reserve Fund as it existed prior to January 1, 2000. On or after the operative date of Article 2.4 (commencing with Section 69521), the expenditure of funds from the Student Loan Operating Fund is subject to the limitations set forth in Sections 69522 and 69526 shall be expended only upon appropriation by the Legislature in the annual Budget Act.~~

(e) Notwithstanding any other law, the Controller may use the moneys in the Student Loan Operating Fund for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. However, interest shall be paid on all moneys loaned to the General Fund from the Student Loan Operating Fund. Interest payable shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which loaned. This subdivision does not authorize any transfer that will interfere with the carrying out of the object for which the Student Loan Operating Fund was created.

(f) The total amount of all outstanding debts, obligations, and liabilities that may be incurred or created under this article or under Article 2.5 (commencing with Section 69522), including any obligation to repay to the United States any funds provided under Title IV of the "Higher Education Act of 1965," and extensions thereof or amendments thereto, or any similar act of Congress, is limited to the amount contained

in the Federal Student Loan Reserve Fund or the Student Loan Operating Fund, and the state shall not be liable to the United States, or to any other person or entity, beyond the amount contained in the Federal Student Loan Reserve Fund or the Student Loan Operating Fund for any debts, obligations, and liabilities.

SEC. 29. Section 69766.1 of the Education Code is amended to read:

69766.1. (a) ~~Notwithstanding Section 13340 of the Government Code, in~~ In addition to the purposes for which funds are appropriated pursuant to Section 69766, ~~there is hereby continuously appropriated only funds appropriated by the Legislature in the annual Budget Act from the Federal Student Loan Reserve Fund and the Student Loan Operating Fund to the commission, the amount of funds necessary may be expended to make payments for the purchase of defaulted loans.~~

(b) ~~Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the Student Loan Operating Fund for transfer to the Federal Student Loan Reserve Fund, all federal Federal reinsurance payments received on defaulted student loans and deposited in the Student Loan Operating Fund may only be transferred to the Federal Student Loan Reserve Fund upon appropriation by the Legislature in the annual Budget Act.~~

(c) ~~The appropriation authorized by this section shall be operative only if the annual Budget Act for the fiscal year is not chaptered on or before July 15, and shall not exceed the amount deemed by the commission to be required by federal law or regulation. The commission shall notify the Joint Legislative Budget Committee of the amount of any payments issued pursuant to this section.~~

SEC. 30. Section 76300 of the Education Code is amended to read:

76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) (1) The fee prescribed by this section shall be ~~twenty-six~~ thirty-six dollars ~~(\$26)~~ (\$36) per unit per semester, effective with the fall term of the ~~2009-10~~ 2011-12 academic year.

(2) The board of governors shall proportionately adjust the amount of the fee for term lengths based upon a quarter system, and also shall proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the board of governors may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts pursuant to Section ~~84750~~ 84750.5, the board of governors shall subtract, from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

(d) The board of governors shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84757.

(2) California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(3) Students enrolled in credit contract education courses pursuant to Section 78021, if the entire cost of the course, including administrative costs, is paid by the public or private agency, corporation, or association with which the district is contracting and if these students are not included in the calculation of the full-time equivalent students (FTES) of that district.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) (1) The fee requirements of this section shall be waived for any student who, at the time of enrollment, is a recipient of benefits under the Temporary Assistance to Needy Families program, the Supplemental Security Income/State Supplementary Program, or a general assistance program or has demonstrated financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid.

(2) The governing board of a community college district also shall waive the fee requirements of this section for any student who demonstrates eligibility according to income standards established by regulations of the board of governors.

(3) Paragraphs (1) and (2) may be applied to a student enrolled in the 2005–06 academic year if the student is exempted from nonresident tuition under paragraph (3) of subdivision (a) of Section 76140.

(h) The fee requirements of this section shall be waived for any student who, at the time of enrollment, is a dependent, or surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty and while in the active service of the state, was killed, died of a disability resulting from an event that

occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state. "Active service of the state," for the purposes of this subdivision, refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(i) The fee requirements of this section shall be waived for any student who is the surviving spouse or the child, natural or adopted, of a deceased person who met all of the requirements of Section 68120.

(j) The fee requirements of this section shall be waived for any student in an undergraduate program, including a student who has previously graduated from another undergraduate or graduate program, who is the dependent of any individual killed in the September 11, 2001, terrorist attacks on the World Trade Center and the Pentagon or the crash of United Airlines Flight 93 in southwestern Pennsylvania, if that dependent meets the financial need requirements set forth in Section 69432.7 for the Cal Grant A Program and either of the following applies:

(1) The dependent was a resident of California on September 11, 2001.

(2) The individual killed in the attacks was a resident of California on September 11, 2001.

(k) A determination of whether a person is a resident of California on September 11, 2001, for purposes of subdivision (j) shall be based on the criteria set forth in Chapter 1 (commencing with Section 68000) of Part 41 of Division 5 for determining nonresident and resident tuition.

(l) (1) "Dependent," for purposes of subdivision (j), is a person who, because of his or her relationship to an individual killed as a result of injuries sustained during

the terrorist attacks of September 11, 2001, qualifies for compensation under the federal September 11th Victim Compensation Fund of 2001 (Title IV (commencing with Section 401) of Public Law 107-42).

(2) A dependent who is the surviving spouse of an individual killed in the terrorist attacks of September 11, 2001, is entitled to the waivers provided in this section until January 1, 2013.

(3) A dependent who is the surviving child, natural or adopted, of an individual killed in the terrorist attacks of September 11, 2001, is entitled to the waivers under subdivision (j) until that person attains the age of 30 years.

(4) A dependent of an individual killed in the terrorist attacks of September 11, 2001, who is determined to be eligible by the California Victim Compensation and Government Claims Board, is also entitled to the waivers provided in this section until January 1, 2013.

(m) (1) It is the intent of the Legislature that sufficient funds be provided to support the provision of a fee waiver for every student who demonstrates eligibility pursuant to subdivisions (g) to (j), inclusive.

(2) From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to 2 percent of the fees waived pursuant to subdivisions (g) to (j), inclusive. From funds provided in the annual Budget Act, the board of governors shall allocate to community college districts, pursuant to this subdivision, an amount equal to ninety-one cents (\$0.91) per credit unit waived pursuant to subdivisions (g) to (j), inclusive. It is the intent of the Legislature that funds provided pursuant to this subdivision be used to

support the determination of financial need and delivery of student financial aid services, on the basis of the number of students for whom fees are waived. It also is the intent of the Legislature that the funds provided pursuant to this subdivision directly offset mandated costs claimed by community college districts pursuant to Commission on State Mandates consolidated Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15 (Enrollment Fee Waivers). Funds allocated to a community college district for determination of financial need and delivery of student financial aid services shall supplement, and shall not supplant, the level of funds allocated for the administration of student financial aid programs during the 1992–93 fiscal year.

(3) Notwithstanding paragraphs (1) and (2) or any other provision of law, the amount of funds appropriated for the purposes of administering fee waivers shall be determined in the annual Budget Act.

(n) The board of governors shall adopt regulations implementing this section.

SEC. 31. Section 84043 of the Education Code is amended to read:

84043. (a) (1) Notwithstanding any other provision of law, and unless otherwise prohibited under federal law, for the 2009–10 to ~~2012–13~~ 2014–15 fiscal years, inclusive, community college districts may use funding received, pursuant to subdivision (b), from any of the programs listed in paragraph (2) that are contained in Item 6870-101-0001 of Section 2.00 of the annual Budget Act, for the purposes of any of the programs contained in Schedule (2) and Schedules (4) to (23), inclusive, of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2009.

(2) (A) Apprenticeship.

(B) Matriculation.

(C) Academic Senate for the Community Colleges.

(D) Equal Employment Opportunity.

(E) Part-time Faculty Health Insurance.

(F) Part-time Faculty Compensation.

(G) Part-time Faculty Office Hours.

(H) Economic Development.

(I) Transfer Education and Articulation.

(J) Physical Plant and Instructional Support.

(K) Campus Childcare Tax Bailout.

(b) For the 2009–10 to ~~2012–13~~ 2014–15 fiscal years, inclusive, the chancellor shall apportion from the amounts provided in the annual Budget Act for the programs enumerated in paragraph (2) of subdivision (a), an amount to a community college district, based on the same relative proportion that the district received in the 2008–09 fiscal year for the programs enumerated in paragraph (2) of subdivision (a). The amounts allocated shall be adjusted for any greater or lesser amount appropriated for the items enumerated in paragraph (2) of subdivision (a).

(c) (1) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution on the amount so reduced.

(2) If a community college district elects to use funding received pursuant to subdivision (b) in the manner authorized pursuant to subdivision (a), the governing

board of the district shall, at a regularly scheduled open public hearing, take testimony from the public, discuss, and shall approve or disapprove the proposed use of funding.

(3) (A) If a community college district elects to use funding received pursuant to subdivision (b) in the manner authorized pursuant to subdivision (a), the district shall continue to report the expenditures pursuant to this section by using the appropriate codes to indicate the activities for which these funds were expended using the existing standard reporting process as determined by the chancellor.

(B) The chancellor shall collect the information in subparagraph (A) and shall provide that information to the Department of Finance and to the appropriate policy and budget committees of the Legislature on or before April 15, 2010, and annually thereafter by April 15 of each year, through ~~2014~~ 2016.

(d) For the 2009–10 to ~~2012–13~~ 2014–15 fiscal years, inclusive, community college districts that elect to use funding in the manner authorized pursuant to subdivision (a) shall be deemed to be in compliance with the program and funding requirements contained in statutory, regulatory, and provisional language, associated with the programs enumerated in subdivision (a).

SEC. 32. Section 84321.6 of the Education Code is amended to read:

84321.6. (a) Notwithstanding any other law that governs the regulations adopted by the Chancellor of the California Community Colleges to disburse funds, the payment of apportionments to districts pursuant to Sections 84320, and 84321, ~~and 84321.5~~ shall be adjusted by the following:

(1) For the month of June, two hundred twenty-one million five hundred thousand dollars ~~(\$200,000,000)~~ (\$221,500,000) shall be deferred to July. ~~This paragraph is~~

~~operative commencing with the 2004–05 fiscal year. Commencing with the 2010–11 fiscal year and each fiscal year thereafter, the amount deferred pursuant to this paragraph shall be increased by twenty-one million five hundred thousand dollars (\$21,500,000).~~

(2) ~~For the months of January and February, one hundred fifteen million dollars (\$115,000,000) in each month, and the months of March and April, in the amounts of fifty-five million dollars (\$55,000,000) in each month, shall be deferred to July. The total amount of these payments deferred to the month of July shall be three hundred forty million dollars (\$340,000,000). This paragraph is operative commencing with the 2008–09 fiscal year. Commencing with the 2010–11 fiscal year and each fiscal year thereafter, the amount deferred pursuant to this paragraph shall be increased by eighty-six million dollars (\$86,000,000), to be split equally among the four months~~
month of May, one hundred twenty-four million five hundred thousand dollars (\$124,500,000) shall be deferred, of which one hundred three million dollars (\$103,000,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(3) ~~For the months~~ month ~~of April and May, eighty-one million five hundred thousand dollars (\$81,500,000) in each month, shall be deferred to July. The total amount of these payments deferred to the month of July shall be one hundred sixty-three million dollars (\$163,000,000). This paragraph is operative commencing with the 2009–10 fiscal year. Commencing with the 2010–11 fiscal year and each fiscal year thereafter, the amount deferred from the month of May to July, inclusive, pursuant to this paragraph shall be increased by twenty-one million five hundred thousand dollars (\$21,500,000),~~ one hundred seventy-nine million five hundred thousand dollars

(\$179,500,000) shall be deferred, of which one hundred fifty-eight million dollars (\$158,000,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(4) For the month of March, one hundred nineteen million five hundred thousand dollars (\$119,500,000) shall be deferred, of which seventy-six million five hundred thousand dollars (\$76,500,000) shall be deferred to July and forty-three million dollars (\$43,000,000) shall be deferred to October.

(5) For the month of February, one hundred fifty-eight million dollars (\$158,000,000) shall be deferred, of which one hundred thirty-six million five hundred thousand dollars (\$136,500,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(6) For the month of January, one hundred fifty-eight million dollars (\$158,000,000) shall be deferred, of which one hundred thirty-six million five hundred thousand dollars (\$136,500,000) shall be deferred to July and twenty-one million five hundred thousand dollars (\$21,500,000) shall be deferred to October.

(b) The sum of ~~eight~~ nine hundred ~~thirty-two~~ sixty-one million dollars (~~\$832,000,000~~) (\$961,000,000) is hereby appropriated from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts, for expenditure during the ~~2011-12~~ 2012-13 fiscal year, to be expended in accordance with Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010.

(c) ~~The disbursement of~~ Of the funds appropriated in subdivision (b), eight hundred thirty-two million dollars (\$832,000,000) shall be ~~made~~ allocated in July of the ~~2011-12~~

2012–13 fiscal year and is and one hundred twenty-nine million dollars (\$129,000,000)
shall be allocated in October in satisfaction of the moneys deferred pursuant to
subdivision (a).

~~(d) The sum of twenty-five million dollars (\$25,000,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges for the economic development program to be expended consistent with the requirements for that program specified in Schedule (16) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010. Of the amount appropriated in this subdivision, twenty-five million dollars (\$25,000,000) shall be deferred commencing with the 2010–11 fiscal year to July of the following fiscal year. These funds are available for the purpose of maintaining existing, and creating new, workforce training programs. The chancellor's office shall allocate funds on a competitive basis to districts demonstrating an ability to offer workforce training in green technology, nursing, allied health, and other industry sectors in demand of high-skilled workers.~~

~~(e) The sum of thirty-five million dollars (\$35,000,000) is hereby appropriated from the General Fund to the Chancellor of the California Community Colleges to be allocated for Schedules (2), (4), (6), (7), (9), (11), (12), (13), (14), (15), (16), (17), (19), (20), (22), and (23) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2010. The funds shall be allocated in proportion to reductions made to the same programs in the Budget Act of 2009 and shall be expended consistent with the requirements specified for each program, unless otherwise authorized. The amount appropriated in this subdivision shall be deferred commencing with the 2010–11 fiscal year to July of the following fiscal year.~~

~~(f)~~

(d) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by ~~subdivisions~~ subdivision (b), ~~(d)~~, and ~~(e)~~ shall be deemed to be “General Fund revenues appropriated for community college districts,” as defined in subdivision (d) of Section 41202, for the ~~2011–12~~ 2012–13 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the ~~2011–12~~ 2012–13 fiscal year.

~~(g) This section shall become operative on January 1, 2011.~~

SEC. 33. Section 84501 of the Education Code is amended to read:

84501. (a) Commencing with the 1991–92 fiscal year, the term “community college average daily attendance” (ADA) means full-time equivalent student (FTES) as that term is defined by regulations adopted by the Board of Governors of the California Community Colleges.

(b) As required by the Budget Act of 2011, the Board of Governors of the California Community Colleges shall adopt regulations that implement reforms for calculating FTES as determined by the Chancellor’s Office of the California Community Colleges and as approved by the Department of Finance.

SEC. 34. Section 84750.5 of the Education Code is amended to read:

84750.5. (a) The board of governors, in accordance with the statewide requirements contained in paragraphs (1) to (11), inclusive, of subdivision (d), and in consultation with institutional representatives of the California Community Colleges

and statewide faculty and staff organizations, so as to ensure their participation in the development and review of policy proposals, shall develop criteria and standards for the purposes of making the annual budget request for the California Community Colleges to the Governor and the Legislature, and for the purpose of allocating the state general apportionment revenues.

(b) In developing the criteria and standards, the board of governors shall utilize and strongly consider the recommendations and work product of the “System Office Recommendations Based on the Report of the Work Group on Community College Finance” that was adopted by the board at its meeting of March 7, 2005. The board shall complete the development of these criteria and standards, accompanied by the necessary procedures, processes, and formulas for utilizing its criteria and standards, by March 1, 2007, and shall submit on or before that date a report on these items to the Legislature and the Governor.

(c) (1) It is the intent of the Legislature in enacting this section to improve the equity and predictability of general apportionment and growth funding for community college districts in order that the districts may more readily plan and implement instruction and related programs, more readily serve students according to the policies of the state’s master plan for higher education, and enhance the quality of instruction and related services for students.

(2) It is the intent of the Legislature to determine the amounts to be appropriated for the purposes of this section through the annual Budget Act. Nothing in this section shall be construed as limiting the authority either of the Governor to propose, or the

Legislature to approve, appropriations for California Community Colleges programs or purposes.

(d) The board of governors shall develop the criteria and standards within the following statewide minimum requirements:

(1) The calculations of each community college district's revenue level for each fiscal year shall be based on the level of general apportionment revenues (state and local) the district received for the prior year plus any amount attributed to a deficit from the adopted standards to be developed pursuant to this section, with revenue adjustments being made for increases or decreases in full time equivalent students (FTES), for equalization of funding per credit FTES, for necessary alignment of funding per FTES between credit and noncredit programs, for inflation, and for other purposes authorized by law.

(2) Commencing with the 2006–07 fiscal year, the funding mechanism developed pursuant to this section shall recognize the need for community college districts to receive an annual allocation based on the number of colleges and comprehensive centers in the district. In addition to this basic allocation, the marginal amount of credit revenue allocated per FTES shall be funded at a rate not less than four thousand three hundred sixty-seven dollars (\$4,367), as adjusted for the change in the cost-of-living in subsequent annual budget acts. As required by the Budget Act of 2011, the marginal amount of credit revenue allocated per FTES shall be adjusted to reflect reforms determined by the Chancellor's Office of the California Community Colleges and as approved by the Department of Finance.

(A) To the extent that the Budget Act of 2006 contains an appropriation of one hundred fifty-nine million four hundred thirty-eight thousand dollars (\$159,438,000) for community college equalization, the Legislature finds and declares that community college equalization for credit FTES has been effectively accomplished as of March 31, 2007.

(B) The chancellor shall develop criteria for the allocation of one-time grants for those districts that would have qualified for more equalization under prior law than pursuant to this section and the Budget Act of 2006, and for those districts that would have qualified for more funding under a proposed rural college access grant than pursuant to this section and the Budget Act of 2006, as determined by the chancellor. Appropriations for the one-time grants shall be provided pursuant to paragraph (24) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006.

(3) Noncredit instruction shall be funded at a uniform rate of two thousand six hundred twenty-six dollars (\$2,626) per FTES, as adjusted for the change in the cost-of-living provided in subsequent annual budget acts.

(4) Funding for instruction in career development and college preparation, as authorized pursuant to Section 84760.5, shall be provided as follows:

(A) Beginning in the 2006–07 fiscal year, career development and college preparation FTES may be funded at a rate of three thousand ninety-two dollars (\$3,092) per FTES for courses in programs that conform to the requirements of Section 84760.5. This rate shall be adjusted for the change in the cost-of-living or as otherwise provided in subsequent annual budget acts.

(B) Changes in career development and college preparation FTES shall result in adjustments to revenues as follows:

(i) Increases in career development and college preparation FTES shall result in an increase in revenues in the year of the increase and at the average rate per career development and college preparation FTES, including any cost-of-living adjustment authorized by statute or by the annual Budget Act.

(ii) Decreases in career development and college preparation FTES shall result in a revenue reduction in the year following the decrease and at the average rate per career development and college preparation FTES.

(5) Except as otherwise provided by statute, current categorical programs providing direct services to students, including extended opportunity programs and services, and disabled students programs and services, shall continue to be funded separately through the annual Budget Act, and shall not be assumed under the budget formula otherwise specified by this section.

(6) For credit and noncredit instruction, changes in FTES shall result in adjustments in district revenues as follows:

(A) Increases in FTES shall result in an increase in revenues in the year of the increase and at the amount per FTES provided for in paragraph (2) or (3), as appropriate, including any cost-of-living adjustment authorized by statute or by the annual Budget Act.

(B) Decreases in FTES shall result in revenue reductions beginning in the year following the initial year of decrease in FTES, and at the district's marginal funding per FTES.

(C) Districts shall be entitled to the restoration of any reductions in apportionment revenue due to decreases in FTES during the three years following the initial year of decrease in FTES if there is a subsequent increase in FTES.

(7) Revenue adjustments shall be made to reflect cost changes, using the same inflation adjustment as required for school districts pursuant to subdivision (b) of Section 42238.1. These revenue adjustments shall be made to the college and center basic allocations, credit and noncredit FTES funding rates, and career development and college preparation FTES funding rates.

(8) The statewide requested increase in budgeted workload FTES shall be based, at a minimum, on the sum of the following computations:

(A) Determination of an equally weighted average of the rate of change in the California population of persons between the ages of 19 and 24 and the rate of change in the California population of persons between the ages of 25 and 65, both as determined by the Department of Finance's Demographic Research Unit as determined for the preceding fiscal year.

(B) To the extent the California unemployment rate exceeds 5 percent for the most recently completed fiscal year, that positive difference shall be added to the rate computed in subparagraph (A). In no event shall that positive difference exceed 2 percent.

(C) The chancellor may also add to the amounts calculated pursuant to subparagraphs (A) and (B) the number of FTES in the areas of transfer, vocational education, and basic skills that were unfunded in the current fiscal year. For this purpose,

the following computation shall be determined for each district, and a statewide total shall be calculated:

(i) Establish the base level of FTES earned in the prior fiscal year for transfer courses consisting of courses meeting the California State University breadth or Intersegmental General Education Transfer Curriculum requirements or major course prerequisites accepted by the University of California or the California State University.

(ii) Establish the base level of FTES earned in the prior fiscal year for vocational education courses consisting of courses defined by the chancellor's office Student Accountability Model codes A and B that are consistent with the courses used for measuring success in this program area under the accountability system established pursuant to Section 84754.5.

(iii) Establish the base level of FTES in the prior fiscal year for basic skills courses, both credit and noncredit.

(iv) Add the sum of FTES for clauses (i) to (iii), inclusive.

(v) Multiply the result of the calculation made under clause (iv) by one plus the district's funded growth rate in the current fiscal year. This figure shall represent the maintenance of effort level for the budget year.

(vi) FTES in transfer, vocational education, and basic skills that are in excess of the total calculated pursuant to clause (v), shall be considered in excess of the maintenance of effort level, and shall be eligible for overcap growth funding if the district exceeds its overall funded FTES.

(vii) In no event shall the amount calculated pursuant to clause (vi) exceed the total unfunded FTES for that fiscal year. To the extent the computation specified in

subdivision (c) requires the reporting of additional data by community college districts, that reporting shall be a condition of the receipt of apportionment for growth pursuant to this section and those funds shall be available to offset any and all costs of providing the data.

(9) Except as provided in subparagraph (B) of paragraph (6), for the 2006–07 fiscal year or for the first fiscal year for which this section is implemented by the board of governors, whichever is later, all districts shall receive at least the amount of revenue received for the prior fiscal year, adjusted for the cost-of-living adjustment specified in subdivision (b) of Section 42238.1 and adjusted for the actual increase in FTES not to exceed the district’s funded growth cap. Thereafter, allocations shall be made pursuant to this section, as implemented by the board of governors pursuant to the annual Budget Act.

(10) Except as specifically provided in statute, regulations of the board of governors for determining and allocating the state general apportionment to the community college districts shall not require district governing boards to expend the allocated revenues in specified categories of operation or according to the workload measures developed by the board of governors.

(e) This section shall become operative on October 1, 2006.

SEC. 35. Section 11323.2 of the Welfare and Institutions Code is amended to read:

11323.2. (a) Necessary supportive services shall be available to every participant in order to participate in the program activity to which he or she is assigned or to accept employment or the participant shall have good cause for not participating under

subdivision (f) of Section 11320.3. As provided in the welfare-to-work plan entered into between the county and participant pursuant to this article, supportive services shall include all of the following:

(1) Child care.

(A) Paid child care shall be available to every participant with a dependent child in the assistance unit who needs paid child care if the child is 10 years of age or under, or requires child care or supervision due to a physical, mental, or developmental disability or other similar condition as verified by the county welfare department, or who is under court supervision.

~~(B) To the extent funds are available paid child care shall be available to a participant with a dependent child in the assistance unit who needs paid child care if the child is 11 or 12 years of age.~~

~~(C)~~

(B) Necessary child care services shall be available to every former recipient for up to two years, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.

~~(D)~~

(C) A child in foster care receiving benefits under Title IV-E of the federal Social Security Act (42 ~~U.S.C.A.~~ U.S.C. Sec. 670 et seq.) or a child who would become a dependent child except for the receipt of federal Supplemental Security Income benefits pursuant to Title XVI of the federal Social Security Act (42 ~~U.S.C.A.~~ U.S.C. Sec. 1381 et seq.) shall be deemed to be a dependent child for the purposes of this paragraph.

~~(E)~~

(D) The provision of care and payment rates under this paragraph shall be governed by Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code. Parent fees shall be governed by ~~subdivision~~ ~~(f)~~ subdivisions (g) and (h) of Section 8263 of the Education Code.

(2) Transportation costs, which shall be governed by regional market rates as determined in accordance with regulations established by the department.

(3) Ancillary expenses, which shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(4) Personal counseling. A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan entered into pursuant to this article shall, to the extent available, receive necessary counseling or therapy to help him or her and his or her family adjust to his or her job or training assignment.

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become employed. The county may provide these services for up to the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.

SEC. 36. Item 6110-161-0001 of Section 2.00 of the Budget Act of 2010 is amended to read:

6110-161-0001—For local assistance, Department of	
Education (Proposition 98), Program 10.60-Special	
Education Programs for Exceptional Children.....	3,106,681,000
	<u>3,012,471,000</u>

Schedule:

- (1) 10.60.050.003-Special education
instruction..... 3,035,964,000
2,941,754,000
- (2) 10.60.050.080-Early Education Program
for Individuals with Exceptional
Needs..... 85,112,000
- (3) Reimbursements for Early Education
Program, Part C..... -14,395,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2010–11 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code, superseding all prior law.
2. Of the funds appropriated in Schedule (1), up to \$13,178,000, plus any cost-of-living adjustment, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
3. Of the funds appropriated in Schedule (1), up to \$10,058,000, plus any cost-of-living adjustment, shall be available for the purposes of vocational training and job placement for special education pupils through Project Workability I pursuant to Article 3 (commencing with Section 56470) of Chapter 4.5 of Part 30 of Division 4 of Title 2 of the Education Code. As a condition of receiving these funds, each local educational agency shall certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in the 1984–85 fiscal year. The Superintendent of Public Instruction may waive this requirement for local educational agencies that demonstrate that the requirement would impose a severe hardship.
4. Of the funds appropriated in Schedule (1), up to \$5,246,000, plus any cost-of-living adjustment

(COLA), shall be available for regional occupational centers and programs that serve pupils having disabilities; up to \$88,410,000, plus any COLA, shall be available for regionalized program specialist services; and up to \$2,637,000, plus any COLA, shall be available for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.

5. Of the funds appropriated in Schedule (1), up to \$3,000,000 is provided for extraordinary costs associated with single placements in nonpublic, nonsectarian schools, pursuant to Section 56836.21 of the Education Code. Pursuant to legislation, these funds shall also provide reimbursement for costs associated with pupils residing in licensed children's institutes.
6. Of the funds appropriated in Schedule (1), up to \$198,344,000, plus any cost-of-living adjustment (COLA), is available to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on the funding formula authorized in Chapter 914 of the Statutes of 2004.
7. Funds available for infant units shall be allocated with the following average number of pupils per unit:
 - (a) For special classes and centers—16.
 - (b) For resource specialist programs—24.
 - (c) For designated instructional services—16.
8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule (2) shall be allocated by the State Department of Education for the 2010–11 fiscal year to those programs receiving allocations for instructional units pursuant to Section 56432 of the Education Code for the Early Education Program for Individuals with Exceptional Needs operated pursuant to Chapter 4.4 (commencing with Section 56425) of Part 30 of Division 4 of Title 2 of the Education Code, based on computing 200-day entitlements. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11.
9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) in excess of the amount necessary to fund the deficiated entitlements

pursuant to Section 56432 of the Education Code and Provision 10 shall be available for allocation by the State Department of Education to local educational agencies for the operation of programs serving solely low-incidence infants and toddlers pursuant to Title 14 (commencing with Section 95000) of the Government Code. These funds shall be allocated to each local educational agency for each solely low-incidence child through age two in excess of the number of solely low-incidence children through age two served by the local educational agency during the 1992–93 fiscal year and reported on the April 1993 pupil count. These funds shall only be allocated if the amount of reimbursement received from the State Department of Developmental Services is insufficient to fully fund the costs of operating the Early Intervention Program, as authorized by Title 14 (commencing with Section 95000) of the Government Code.

10. The State Department of Education, through coordination with the special education local plan areas, shall ensure local interagency coordination and collaboration in the provision of early intervention services, including local training activities, child-find activities, public awareness, and the family resource center activities.
11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2010–11 fiscal year special education program costs and shall not be used to fund any prior year adjustments, claims, or costs.
12. Of the amount provided in Schedule (1), up to \$188,000, plus any cost-of-living adjustment, shall be available to fully fund the declining enrollment of necessary small special education local plan areas pursuant to Chapter 551 of the Statutes of 2001.
13. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (1), up to \$2,324,000 may be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56432 of the Education Code.
14. Of the funds appropriated in Schedule (1), up to \$29,478,000 shall be allocated to local educational agencies for the purposes of Project Workability I.

15. Of the funds appropriated in Schedule (1), up to \$1,700,000 shall be used to provide specialized services to pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
16. Of the funds appropriated in Schedule (1), up to \$1,117,000 shall be used for a personnel development program. This program shall include state-sponsored staff development for special education personnel to have the necessary content knowledge and skills to serve children with disabilities. This funding may include training and services targeting special education teachers and related service personnel that teach core academic or multiple subjects to meet the applicable special education requirements of the Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.).
17. Of the funds appropriated in Schedule (1), up to \$200,000 shall be used for research and training in cross-cultural assessments.
18. Of the amount specified in Schedule (1), up to \$31,000,000 shall be used to provide mental health services required by an individual education plan pursuant to the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.) and pursuant to Chapter 493 of the Statutes of 2004.
19. Of the amount provided in Schedule (1), \$0 is to reflect a cost-of-living adjustment.
20. Of the amount provided in Schedule (2), \$0 is to reflect a cost-of-living adjustment.
21. Of the amount appropriated in this item, up to \$1,480,000 is available for the state's share of costs in the settlement of *Emma C. v. Delaine Eastin, et al.* (N.D. Cal. No. C96-4179TEH). The State Department of Education shall report by January 1, 2011, to the fiscal committees of both houses of the Legislature, the Department of Finance, and the Legislative Analyst's Office on the planned use of the additional special education funds provided to the Ravenswood Elementary School District pursuant to this settlement. The report shall also provide the State Department of Education's best estimate of when this supplemental funding will no longer be required by the court. The State Department of Education shall comply with the requirements of Section 948 of the Government Code

in any further request for funds to satisfy this settlement.

22. Of the funds appropriated in this item, up to \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. Sec. 1400 et seq.) and Section 2122 of the federal Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.). The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. Use of these funds shall be described in the local plans. These funds may be used to provide training in alternative dispute resolution and the local mediation of disputes. All programs are to include evaluation components.
23. Notwithstanding any other provision of law, state funds appropriated in Schedule (1) in excess of the amount necessary to fund the defined entitlement shall be to fulfill other shortages in entitlements budgeted in this schedule by the State Department of Education, upon Department of Finance approval, to any program funded under Schedule (1).
24. The funds appropriated in this item reflect an adjustment to the base funding of 0.11 percent for the annual adjustment in statewide average daily attendance.
25. Of the funds appropriated in Schedule (1), the amount resulting from increases in federal funds reflected in the calculation performed in paragraph (1) of subdivision (c) of Section 56836.08 of the Education Code shall be allocated based on an equal amount per average daily attendance and added to each special education local plan area's base funding, consistent with paragraphs (1) to (4), inclusive, of subdivision (b) of Section 56836.158 of the Education Code. When the final amount is determined, the State Department

of Education shall provide this information to the Department of Finance and the budget committees of each house of the Legislature.

SEC. 37. Item 6110-485 of Section 2.00 of the Budget Act of 2010 is amended to read:

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of ~~\$20,000,000~~ \$33,117,000 is hereby reappropriated from the Proposition 98 Reversion Account for the following purposes:

0001—General Fund

- (3) The sum of \$20,000,000 shall be ~~allocated~~ transferred to the Chancellor of the California Community Colleges for the purpose of providing funding to the community colleges to improve and expand career technical education in public secondary education and lower division public higher education pursuant to Section 88532 of the Education Code.
- (4) The sum of \$13,117,000 shall be allocated to Section A of the State School Fund for apportionment of special education programs pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code.

SEC. 38. Item 6110-488 of Section 2.00 of the Budget Act of 2010 is amended to read:

6110-488—Reappropriation (Proposition 98), Department of Education. Notwithstanding any other provision of law, the balances from the following items are available for reappropriation for the purposes specified in ~~Provision 1~~ Provisions 1, 2, and 3:

0001—General Fund

- (12) \$25,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Adult Education (ROC/P) programs in

paragraph (3) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006

- (13) ~~\$20,000-\$59,000~~ or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for ELL Best Practices for Improving Achievement in paragraph (13) of subdivision (a) of Section 43 of Chapter 79 of the Statutes of 2006
- (13.3) \$16,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKs Stage 2 child care in Schedule (1.5) (e) of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006).
- (13.5) \$13,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education in Schedule (1) of Item 6110-196-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (14) \$14,114,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Grade 9 Class Size Reduction program of Item 6110-232-0001 of the Budget Act of 2007 (Chs. 171 and 172, Stats. 2007)
- (15) \$61,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Special Education in Schedule (1) of Item 6110-161-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.2) \$8,772,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2006 (Chs. 47 and 48, Stats. 2006), as carried forward per Provision 1 of Item 6110-196-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.3) \$128,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education in Schedule (1) of Item 6110-196-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.4) \$1,066,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for general child development programs in Schedule (1.5)(a) of Item

- 6110-196-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (15.5) \$44,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for migrant day care programs in Schedule (1.5)(c) of Item 6110-196-0001 of the Budget Act of 2008 (Ch. 268 and 269, Stats. 2008).
- (15.6) \$5,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for alternative payment programs in Schedule (1.5)(d) of Item 6110-196-0001 of the Budget Act of 2008 (Ch. 268 and 269, Stats. 2008).
- (15.7) \$8,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKS Stage 3 child care programs in Schedule (1.5)(f) of Item 6110-196-0001 of the Budget Act of 2008 (Ch. 268 and 269, Stats. 2008).
- (15.8) \$2,245,000 or whatever greater or lesser amount reflects the unexpended balance of the amount reappropriated for CalWORKS Stage 2 child care per Provision 3 of Item 6110-488 in the Budget Act of 2008 (Ch. 268 and 269, Stats. 2008).
- (16) \$4,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for Child Oral Health Assessments in Item 6110-268-0001 of the Budget Act of 2008 (Chs. 268 and 269, Stats. 2008)
- (17) \$22,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Foster Youth program in Item 6110-119-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (18) \$39,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Acquisition program in Item 6110-125-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (19) \$50,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Partnership Academies program in Schedule (1) of Item 6110-166-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)

- (20) \$37,887,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for preschool education and child care programs in Schedules (1) and (1.5) of Item 6110-196-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (21) \$12,103,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKS Stage 2 child care in Schedule (1.5)(e) of Item 6110-196-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (22) \$6,712,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKS Stage 3 child care in Schedule (1.5)(f) of Item 6110-196-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (23) \$14,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the English Language Tutoring program in Item 6110-227-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (24) \$12,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the Certificated Staff Mentoring program in Item 6110-267-0001 of the Budget Act of 2009 (Ch. 1, 2009–10 3rd Ex. Sess., as revised by Ch. 1, 2009–10 4th Ex. Sess.)
- (25) \$990,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for the California Partnership Academies program in Item 6110-650-0001, pursuant to Section 5 of Chapter 3 of the Statutes of 2009, Fourth Extraordinary Session, as amended by Chapter 31 of the Statutes of 2009, Third Extraordinary Session
- (26) \$10,658,000 or whatever greater or lesser amount reflects the unexpended balance of the amount appropriated for CalWORKS Stage 2 child care in Schedule (1.5)(e) of Item 6110-196-0001 of the Budget Act of 2010 (Ch. 712, Stats. 2010)

Provisions:

1. The sum of \$5,224,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction to support California School Information Services administration activities authorized pursuant to Schedule (2) of Item 6110-140-0001.
2. The sum of \$9,000,000 shall be allocated pursuant to subdivision (d) of Section 42606 of the Education Code to school districts in the 2010–11 fiscal year for the purpose of providing categorical funding for new schools commencing operations in the 2008–09, 2009–10, and 2010–11 fiscal years.
3. The sum of \$80,823,000 is hereby reappropriated to the State Department of Education for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for apportionment for special education programs pursuant to Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code

SEC. 39. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services or the State Department of Education may implement Sections 3 to 11, inclusive, and Section 35, of this act, through all-county letters, management bulletins, or similar instructions.

SEC. 40. Sections 3 to 11, inclusive, and Section 35, of this act shall take effect by March 1, 2011, for CalWORKs Stage 3 programs, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, and by July 1, 2011, for all other specified programs. Subsidies shall be reduced by 34.6 percent for all Stage 3 families by March 1, 2011, if local action has not been approved regarding the determination of priorities for waiting lists and

the determination of subsidy levels for families pursuant to paragraphs (1) and (2) of subdivision (a) of Section 8357.5 of the Education Code, as added by Section 9 of this act.

SEC. 41. Notwithstanding any other provision of law, the Governor's office may assign representatives in place of the Office of the Secretary for Education, as necessary to meet any statutory responsibilities previously required of that office, including, but not necessarily limited to, any of the following:

- (a) Consulting.
- (b) Receiving reports.
- (c) Approving expenditure plans.
- (d) Participating on commissions, boards, advisory committees, or similar entities.

SEC. 42. (a) The sum of nine hundred five million seven hundred thousand dollars (\$905,700,000) is hereby appropriated from the General Fund to the State Department of Education. This appropriation reflects the portion of the payment for class size reduction in kindergarten and grades 1 to 3, inclusive, that is to be deferred until and attributed to the 2012–13 fiscal year and the June 2012 principal apportionment that is to be deferred until July 2012 and attributed to the 2012–13 fiscal year.

Notwithstanding any other law, the department shall encumber the funds appropriated in this section by July 31, 2012. It is the intent of the Legislature that, by extending the encumbrance authority for the funds appropriated in this section to July 31, 2012, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2011. The appropriation is made in accordance with the following schedule:

(1) Six million two hundred twenty-seven thousand dollars (\$6,227,000) for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2011.

(2) Ninety million one hundred seventeen thousand dollars (\$90,117,000) for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2011. Of the amount appropriated by this paragraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2011, twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item, four million six hundred ninety thousand dollars (\$4,690,000) shall be expended consistent with Schedule (3) of that item, and twenty-two million thirty-six thousand dollars (\$22,036,000) shall be expended consistent with Schedule (4) of that item.

(3) Thirty-nine million six hundred thirty thousand dollars (\$39,630,000) for regional occupational centers and programs to be expended consistent with the requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2011.

(4) Four million two hundred ninety-four thousand dollars (\$4,294,000) for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2011.

(5) Forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2011.

(6) Four million seven hundred fifty-one thousand dollars (\$4,751,000) for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2011.

(7) Five million nine hundred forty-seven thousand dollars (\$5,947,000) for categorical block grants for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2011.

(8) Thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) for the School Safety Block Grant to be expended consistent with the requirements specified in Item 6110-228-0001 of Section 2.00 of the Budget Act of 2011.

(9) Five hundred seventy million dollars (\$570,000,000) for class size reduction in kindergarten and grades 1 to 3, inclusive, to be expended consistent with the requirements specified in Item 6110-234-0001 of Section 2.00 of the Budget Act of 2011.

(10) One hundred million one hundred eighteen thousand dollars (\$100,118,000) for the Targeted Instructional Improvement Block Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2011.

(b) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202 of the Education Code, for the 2012–13 fiscal year, and included within the “total allocations to school districts and community college

districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202 of the Education Code, for the 2012–13 fiscal year.

SEC. 43. The sum of five million dollars (\$5,000,000) is hereby appropriated from the General Fund to augment the Charter School Revolving Loan Fund for use pursuant to Section 41365 of the Education Code.

SEC. 44. (a) Notwithstanding Sections 42238.1 and 42238.15 of the Education Code or any other law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001, 6110-150-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-167-0001, 6110-181-0001, 6110-189-0001, 6110-190-0001, 6110-193-0001, 6110-196-0001, 6110-203-0001, 6110-209-0001, 6110-211-0001, 6110-224-0001, 6110-232-0001, 6110-234-0001, 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget Act of 2009 is zero percent for the 2009–10 fiscal year. All funds appropriated in the Budget Act of 2009 in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other provision of law.

(b) Notwithstanding Section 42238.1 of the Education Code or any other law, for purposes of Section 48664 of the Education Code, the cost-of-living adjustment is zero percent for the 2009–10 fiscal year.

SEC. 45. Notwithstanding any other provision of law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-124-0001, 6110-156-0001, 6110-158-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, 6110-234-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2009 shall

be encumbered by July 31, 2012. This one-month extension of encumbrance authority is provided due to the effect of the deferral of the June 2010 principal apportionment on the budget items specified in this section. It is the intent of the Legislature that, by extending the encumbrance authority for the funds identified in this section to July 31, 2012, the funds will be treated in a manner consistent with Section 1.80 of the Budget Act of 2011.

SEC. 46. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2011 at the earliest time possible, it is necessary that this act take effect immediately.

OFFICE COPY

Prepared By _____

Approved By _____

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Education finance: Budget Act of 2011.

(1) Existing law requires the county superintendent of schools of each county, among other specified duties, to make annual visits to each school in his or her county to observe its operation and to learn of its problems. Existing law requires that the priority objective of those visits is the determination of whether each school has sufficient textbooks, as defined. Existing law, until July 1, 2013, and for the 2008–09 to the 2012–13 fiscal years, inclusive, describes what is meant by sufficient textbooks or instructional materials for purposes of these visits by the county superintendent of schools.

This bill would extend the operation of this provision by 2 fiscal years, until July 1, 2015.

(2) Existing law requires a revenue limit to be calculated for each county superintendent of schools, adjusted for various factors, and reduced, as specified. Existing law reduces the revenue limit for each county superintendent of schools for the 2010–11 fiscal year by a deficit factor of 18.250%.

This bill would set the deficit factor for each county superintendent of schools for the 2011–12 and 2012–13 fiscal years at 19.892%.

(3) The Child Care and Development Services Act, administered by the State Department of Education, provides that children who are 13 years of age or younger are eligible, with certain requirements, for child care and development services.

This bill would instead provide that children who are 10 years of age or younger are eligible, with certain requirements, for child care and development services.

(4) Existing law provides for income eligibility standards for families to receive child care and development services. Existing law provides that “income eligible,” for the purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at or below 75% of the state median income, adjusted for family size, and adjusted annually.

This bill would instead provide that “income eligible,” for the purposes of the Child Care and Development Services Act, means that a family’s adjusted monthly income is at below 60% of the state median income, adjusted for family size, and adjusted annually. The bill would exempt the part-day California state preschool program from this change, and “income eligible,” for the purposes of that program, would continue to mean that a family’s adjusted monthly income is at or below 75% of the state median income, adjusted for family size, and adjusted annually.

(5) Existing law provides for 3 stages of child care for CalWORKs recipients. Existing law provides that the 3rd stage of child care begins when a funded child care space is available, and further provides that CalWORKs recipients are eligible for this stage of child care. Existing law also provides that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 75% of the state median income.

This bill would instead provide that persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 60% of the state median income.

(6) Existing law provides for child care alternative payment programs, the purpose of which is to provide for parental choice in child care. Existing law requires reimbursement for alternative payment programs to include the cost of child care, plus administrative and support services.

This bill would require the State Department of Education to amend all contracts with alternative payment agencies and direct services contractors, except for the part-day California state preschool program, to implement the intent of reducing child care subsidies in aggregate by at least 34.6%, as reflected in the Budget Act of 2011.

This bill would authorize local planning councils to assist county offices of education in the administration of waiting lists and the determination of subsidy levels for families.

(7) Existing law requires the Controller to draw warrants on the State Treasury in each month of each year in specified amounts for purposes of funding school districts,

county superintendents of schools, and community college districts. Existing law defers the drawing of those warrants, as specified.

This bill would defer additional specified amounts of the warrants for school districts and county superintendents of schools for April, May, and June to July.

(8) Existing law limits the amount of specified revenue limit apportionments that counts towards the minimum funding obligation for the following fiscal year to \$1,601,655,000.

This bill would decrease that amount to \$1,101,655,000.

(9) The Leroy F. Greene School Facilities Act of 1998 requires the State Allocation Board to require school districts applying for funds under that act to deposit, into a specified account for ongoing and major maintenance of school buildings, an amount equal to or greater than 3% of the total general fund expenditures of the applicant school district. Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive, reduces that deposit requirement to an amount equal to 1% of the total general fund expenditures of the applicant school district. Existing law exempts a school district that maintains its facilities in good repair, as defined, from this 1% requirement.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(10) Existing law, until January 1, 2012, authorizes a school district to deposit the proceeds from the sale of surplus school property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose.

This bill would extend the operation of this provision to January 1, 2014.

(11) Existing law, until July 1, 2013, renders inoperative a requirement for the governing board of a school district to make a report regarding proposals and plans for expenditure for the deferred maintenance of school district facilities.

This bill would extend the operation of this provision to July 1, 2015.

(12) Existing law, to become operative on July 1, 2013, will authorize the State Allocation Board to each year reserve an amount not to exceed 10% of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts in instances of extreme hardship.

This bill would delay the operation of this provision until July 1, 2015.

(13) Existing law, for the 2009–10 fiscal year, sets the minimum state requirement for a local educational agency's reserve for economic uncertainties at $\frac{1}{3}$ of the percentage for a reserve adopted by the State Board of Education as of May 1, 2009, and requires a school district to make progress in the 2010–11 fiscal year to returning to compliance with the specified standards and criteria adopted by the state board. Existing law restores this requirement, for the 2011–12 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

This bill would instead provide that, for the 2010–11 and 2011–12 fiscal years, the minimum state requirement for a local educational agency's reserve for economic uncertainties is $\frac{1}{3}$ of the percentage for a reserve adopted by the state board as of May 1, 2009, and require a school district to make progress in the 2012–13 fiscal year to returning to compliance with the specified standards and criteria adopted by the state

board. This bill would restore this requirement, for the 2013–14 fiscal year, to the percentage adopted by the state board as of May 1, 2009.

(14) Existing law requires, for the 1990–91 fiscal year and each fiscal year thereafter, that moneys to be applied by the state for the support of school districts, community college districts, and direct elementary and secondary level instructional services provided by the state be distributed in accordance with certain calculations governing the proration of those moneys among the 3 segments of public education. Existing law makes that provision inapplicable to the fiscal years between 1992–93 and 2010–11, inclusive.

This bill would make that provision inapplicable to the 2011–12 fiscal year.

(15) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county and requires the amount of the revenue limit to be adjusted for various factors. Existing law reduces the revenue limit for each school district for the 2010–11 fiscal year by a deficit factor of 17.963%.

This bill would maintain the deficit factor for each school district for the 2011–12 and 2012–13 fiscal years at 19.608%.

(16) Existing law establishes various categorical education programs, and appropriates the funding for those programs in the annual Budget Act. Existing law requires the Superintendent of Public Instruction, for the 2008–09 to 2012–13 fiscal years, inclusive, to apportion from the amount provided in the annual Budget Act for specified categorical education programs an amount based on the same relative proportion that the local educational agency received in the 2008–09 fiscal year for those programs, with certain exceptions. Existing law authorizes school districts, for

the 2008–09 to 2012–13 fiscal years, inclusive, to use the categorical education program funds, with specified exceptions, for any educational purpose.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 fiscal year.

(17) Existing law requires the Superintendent of Public Instruction to allocate, for the 2010–11 fiscal year, a supplemental categorical block grant to a charter school that began operation in the 2008–09, 2009–10, or 2010–11 fiscal year.

This bill would extend the operation of this provision to require the Superintendent to make these allocations for the 2011–12 fiscal year, and to include charter schools that began operation in the 2011–12 fiscal year.

(18) Existing law, commencing with the 2009–10 school year and continuing through the 2012–13 school year, authorizes a school district, county office of education, or charter school to reduce the equivalent of up to 5 days of instruction or the equivalent number of instructional minutes without incurring fiscal penalties.

This bill would extend the operation of this provision for 2 additional fiscal years, thus extending it through the 2014–15 school year.

(19) Existing law establishes the Class Size Reduction Program, under which a participating school district or county office of education reduces class size to 20 pupils per class in kindergarten and grades 1 to 3, inclusive. Existing law provides that, for the 2008–09, 2009–10, 2010–11, and 2011–12 fiscal years, a school district that has received funding under the program but has not implemented its class size reduction program for all classes and grades for which it received funding under the program,

an amount is deducted from the next principal apportionment of state funds to that district in accordance with a schedule.

This bill would extend the operation of this provision to the 2012–13 and 2013–14 fiscal years.

(20) Existing law prohibits the State Board of Education from adopting instructional materials until the 2013–14 school year.

This bill would extend this prohibition through the 2015–16 school year.

(21) Existing law, for the 2008–09 to the 2012–13 fiscal years, inclusive, provides that the governing board of a school district is not required to provide pupils with instructional materials by a specified period of time following adoption of those materials by the State Board of Education.

This bill would extend the operation of this provision by 2 fiscal years, through the 2014–15 fiscal year.

(22) Existing law continuously appropriates, without regard to fiscal years, all moneys deposited in the Federal Student Loan Reserve Fund and the Student Loan Operating Fund. Existing law specifies that the continuous appropriation is available to assume the obligation under any outstanding Budget Act appropriation from the State Guaranteed Loan Reserve Fund as it existed prior to January 1, 2000.

This bill would delete this appropriation, and instead would require that the moneys deposited in the Federal Student Loan Reserve Fund and the Student Loan Operating Fund be expended only upon appropriation by the Legislature in the annual Budget Act.

(23) Existing law establishes community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law requires the governing board of each community college district to charge each student, with specified exceptions, a fee of \$26 per unit per semester, effective with the fall term of the 2009–10 academic year.

This bill would increase that fee to \$36 per unit per semester, effective with the fall term of the 2011–12 academic year.

(24) Existing law, for the 2009–10 to 2012–13 fiscal years, inclusive, authorizes a community college district to use funds apportioned to the district for specified categorical programs, for purposes of a prescribed list of programs.

This bill would extend the operation of this provision for 2 additional fiscal years, through the 2014–15 fiscal year.

(25) Existing law requires the Board of Governors of the California Community Colleges to adopt regulations for the payment of apportionments to community college districts. Existing law, notwithstanding the board of governors' authority in this respect, makes various adjustments to the payment of these apportionments.

This bill would revise the manner in which these apportionments are made according to specified criteria. The bill would appropriate \$961,000,000 from the General Fund to the Board of Governors of the California Community Colleges for apportionments to community college districts for expenditure during the 2012–13 fiscal year in accordance with a specified schedule.

(26) Existing law requires that, commencing with the 1991–92 fiscal year, the term “community college average daily attendance” means full-time equivalent student (FTES) as that term is defined by regulations adopted by the Board of Governors of the California Community Colleges.

This bill would require the Board of Governors of the California Community Colleges to adopt regulations that implement reforms for calculating FTES as determined by the Chancellor’s Office of the California Community Colleges and as approved by the Department of Finance.

(27) The Budget Act of 2010 made numerous appropriations for the support of public education in this state.

This bill would make adjustments in the schedules of 3 items of the Budget Act of 2010 with respect to the funding of specified programs.

(28) The existing Administrative Procedure Act, among other things, sets forth procedures for the development, adoption, and promulgation of regulations by administrative agencies charged with the implementation of statutes.

This bill would authorize the State Department of Social Services and the State Department of Education, notwithstanding the procedures required by the Administrative Procedure Act, to implement the provisions of the bill that relate to the Child Care and Development Services Act through all-county letters, management bulletins, or similar instructions.

The bill would declare that its provisions relating to the Child Care and Development Services Act would take effect by March 1, 2011, with respect to CalWORKs Stage 3 programs, and by July 1, 2011, for all other specified child care

and development programs. The bill would require a 34.6% cut in subsidies for child care for families receiving CalWORKs Stage 3 services.

(29) The bill would authorize the Governor's office to assign representatives in place of the Office of the Secretary for Education as necessary to meet statutory responsibilities previously required of that office.

(30) This bill would appropriate \$905,700,000 from the General Fund to the State Department of Education for 10 specified programs according to a specified schedule, and would require the department to encumber these funds by July 31, 2012. The bill would provide that, for purposes of satisfying the minimum annual funding obligation for school districts required by the California Constitution, the appropriated funds are General Fund revenues appropriated for school districts and community college districts for the 2012–13 fiscal year.

(31) Existing law creates the Charter School Revolving Loan Fund in the State Treasury, and authorizes the Superintendent of Public Instruction to make loans from the fund to applicant charter schools in accordance with specified criteria.

This bill would appropriate \$5,000,000 from the General Fund to augment the Charter School Revolving Loan Fund.

(32) This bill would set the cost-of-living adjustment for specified items in the Budget Act of 2009 at 0% for the 2009–10 fiscal year, notwithstanding the cost-of-living adjustment specified in existing statutes.

(33) This bill would require funds appropriated pursuant to specified items in the Budget Act of 2009 to be encumbered by July 31, 2012.

(34) This bill would make conforming changes, correct some cross-references, and make other technical, nonsubstantive changes.

(35) The funds appropriated by this bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

(36) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

DRAFT